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FURTHER CORRESPONDENCE

RESPECTING

MOROCCO

PART 71

1933

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Further Correspondence respecting Morocco.

PART 71.

CHAPTER I.—TANGIER ZONE.

[W 101/101/28] No. 1.

Mr. Gurney to Sir John Simon.—(*Received January* 4, 1933.)

(No. 175.)

Sir, *Tangier, December* 28, 1932.

WITH reference to my despatch No. 172 of the 23rd instant, I have the honour to report that the Committee of Control examined on the 26th and again on the 27th instant the proposals put forward by the Shereefian Government for the relief of the Tangier Zone of a portion of the port loan charges.

2. As neither the French representative nor the Administrator could give a clear idea as to how the proposal was to be applied in practice, it was decided to ask for an explanation from Rabat through M. de Witasse. It was the understanding of the Administrator, who prepared a statement on the subject, that the Shereefian Government proposed, by derogation from certain provisions of articles 39 and 40 of the Tangier Convention and of article 46 of the Organic Dahir, and by agreement with the Port Company, to take over provisionally the service of the loans, and themselves to furnish the funds necessary for the payment of the various coupons as they fall due as an "avance de caisse." At the end of the year accounts would be settled between the financial directions of the two zones, and the difference between the actual receipts of the zone and the estimates of the ordinary budget as approved by the Assembly would be chargeable to ("resterait à la charge de") the Shereefian Government, up to the total amount of the port loan charges (4,450,000 fr. in 1933). M. de Witasse undertook to refer this formula to the French authorities and ascertain whether it correctly represented their intentions. I enclose a copy herein.

3. Whilst agreeing to this step, I made it quite clear that I could express no opinion on the proposal itself pending the receipt of instructions from His Majesty's Government. My Italian and Portuguese colleagues made similar reserves.

4. I also pointed out that, if the offer were accepted, the proposed derogation from the terms of the statute would have to be approved by all the Powers parties to it who are represented on the Committee of Control, and who could express their approval through their representatives on that body. The provisions in question are those which lay down that the service of the port loans is a first charge on the customs and other receipts of the zone. If such derogation is approved, the fact that the zone ceases to pay these charges would no longer constitute a ground for the resumption by the Shereefian Government of the financial control of the port as provided in article 40 of the convention. This stipulation was accepted by my colleagues, who also agreed with me that before

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the arrangement is put into force it will be necessary to ascertain from the Port Company that it has their approval, since under the terms of their agreement the Tangier Administration is directly responsible to them for the payment of the coupons.

5. At yesterday's meeting the Committee of Control also examined the revised budget as passed by the Assembly. We were not able to approve it definitely, since among other things it embodies the proposals put forward by M. Laure in regard to a reduction in the number of officers of the gendarmerie, and provides that the personnel of the Fire Brigade should be furnished by the gendarmerie. As these proposals were not acceptable to the Spanish representative, they had to be rejected by the Committee of Control. The Assembly had also reduced the budget for the customs services, and since that service opposes these cuts, the matter must be arbitrated by the Committee of Control in accordance with the terms of article 39 of the convention. Pending a decision, it was agreed that a portion of the sum in dispute should provisionally be included in the budget.

6. On the receipts side, we were able to authorise the insertion of a provision for 500,000 fr. on account of a contribution of the Spanish Zone to the cost of the customs service, in accordance with the terms of the letter from the Spanish representative enclosed in my despatch under reference, as well as a sum of 125,000 fr. on account of the "taxe spéciale," as provided in the same letter.

7. It was agreed that the Administration might be authorised to retain in the budget provision for "collaboration des Puissances," as provided in the original budget, but that in view of the offer of the Spanish Government, the estimate might be reduced from 2,800,000 fr. to 2,600,000 fr. If the estimates of receipts as provided in the budget are realised, the latter figure should represent the sum for which the Shereefian Government will be responsible under the terms of their offer as interpreted by M. Le Fur.

8. As it is not materially possible for the budget so amended to be voted by the Assembly and approved by the Committee of Control before the end of the year, the Committee of Control decided to issue an order providing for the continued execution of the budget for 1932 during the first month of 1933 under the system of "douzièmes provisoires," as laid down in article 53 of the Organic Dahir.

I have, &c.
HUGH GURNEY.

Enclosure in No. 1.

The Administrator of the Tangier Zone to the President of the Committee of Control.

M. le Président, *Tanger, le 26 décembre* 1932.

* * * * * *

L'ADMINISTRATION, tenant compte de ce que le Gouvernement chérifien, dans le but de diminuer les charges de la zone, est prêt, d'accord avec la Société du Port de Tanger, à prendre à sa charge, provisoirement, le service des Emprunts du Port (par dérogation à certaines dispositions aux articles 39 et 40 de la Convention de Paris et 46 du Dahir organique), estime qu'il y aurait lieu d'adopter les modalités suivantes :

Le Gouvernement chérifien, se substituant à la zone, ferait face aux diverses échéances, sous forme d'avance de caisse, au paiement des coupons des emprunts de la Société du Port. En fin d'exercice un règlement des comptes interviendrait entre les Directions des Finances des deux zones.

Il resterait à la charge du Gouvernement chérifien, jusqu'à concurrence du total des annuités du service des Emprunts du Port, la différence entre les recettes effectivement réalisées et les prévisions des recettes inscrites au budget ordinaire de la zone, adoptées par l'Assemblée législative.

* * * * * *

P. LE FUR.

[W 14184/13/28] No. 2.

Sir John Simon to Mr. Gurney (Tangier).

(No. 1.)
(Telegraphic.) R. *Foreign Office, January* 4, 1933.

YOUR despatch No. 172 of 23rd December : Port loan charges.

You may accept French proposal for one year only, as proposed in paragraph 11 of your despatch.

[W 441/19/28] No. 3.

Mr. Gurney to Sir John Simon.—(Received January 13.)

(No. 2.)
Sir, *Tangier, January* 2, 1933.

I HAVE the honour to transmit herewith my annual report on the heads of foreign missions at Tangier.

I have, &c.
HUGH GURNEY.

Enclosure in No. 3.

Report on Heads of Foreign Missions at Tangier.

[The passages marked with an asterisk are reproduced unaltered from last year's report.]

**United States of America.*—Hon. Maxwell Blake, diplomatic agent and consul-general.

MR. BLAKE has been here since 1915, with the exception of the period between 1922 and 1925, which he spent in Albania and Australia. Owing to the fact that the United States have not adhered to the Tangier Statute, Mr. Blake holds himself aloof from the majority of the affairs which interest his colleagues. He clings tenaciously to every letter of the Act of Algeciras, and one pictures him as holding solemn meetings of the Conseil sanitaire, of which he is now the sole member, while the rest of us are sitting on the Committee of Control.

Though somewhat difficult to deal with, both Mr. Dicken and I have found that, if tactfully approached, he is always ready to discuss matters in which he or his nationals may be affected in a reasonable manner, and it must be admitted that he has placed no unnecessary obstacles in the way of the smooth working of the statute.

He is a man of considerable artistic taste, and has shown great skill in doing up the Legation buildings in the old town, which have for him a sentimental interest, as being the first house acquired by the United States Government for the accommodation of their representatives abroad. It seems doubtful, however, whether his successor, who will probably prefer to live in a more modern quarter, will appreciate the money which has been spent upon the reconstruction of the house.

He is married to a lady of Gibraltarian origin. (Rewritten in 1931.)

Belgium.—Prince Reginald de Croy, Consul-General with personal rank of Minister Plenipotentiary since December 1931.

Prince Croy was counsellor of the Belgian Embassy in London for several years before coming here and was, I believe, very popular there. He is a most agreeable colleague, and, although not brilliantly clever, has sound views on most questions and shows much pertinacity in pressing them. Unlike his predecessor, he is independent of French influence, and is, indeed, rather anti-French in his inclinations. He has acted as president of the Committee of Control during the past year and has exercised the duties of the office with tact and discretion.

Princess Croy was a Ligne, and both she and her husband speak excellent English and are very sociably inclined. (Written in 1933.)

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**France.*—M. Pierre de Witasse, Consul-General since December 1926, with personal rank of Minister Plenipotentiary.

M. de Witasse, who is in the French consular service and is directly attached to the Administration of the French Zone of Morocco, has spent most of his career in the Near East, having served at Cairo, Genoa, Smyrna and Alexandria. He has also been employed at the residency-general at Tunis, and before coming here had been in charge of the Oudjda District of French Morocco, where he acquired the reputation of an able administrator. He is a pleasant colleague to work with, combining as he does French wit with a good deal of common sense, and we get on very well together. He seems genuinely anxious to make the statute a success, and not to put French interests unduly in the foreground. He has a difficult colony to deal with, and though he was warmly welcomed by them on arrival, I believe that, like his predecessor, he is not now very popular with them.

He is married, and both he and his wife speak fairly good English and are devoted to golf.

He was given the rank of Minister Plenipotentiary in October 1928. (Written in 1928 and 1929.)

Holland.—M. F. Gerth van Wijk, Consul-General since January 1925.

M. van Wijk was previously consul at Moscow, Petrograd and Zurich. He is a sound and friendly colleague, and, though never assuming a prominent part in discussions, can be relied upon to take a reasonable and unprejudiced view of matters dealt with by the Committee of Control. He was given the Legion of Honour in 1927 on the recommendation of the French consul-general, ostensibly for his services on the Port Commission, on which he served until last year as representative of the Committee of Control.

He is married to a lady of Italian origin, and both he and his wife speak excellent English as well as several other languages. (Rewritten in 1933.)

Italy.—M. Pelligrino Ghigi, Consul-General, with personal rank of Minister Plenipotentiary since October 1932.

The post of Italian consul-general was held for some months during the year by Count Capasso Torre delle Pastene, who arrived in March. He left, however, in September on transfer to Copenhagen and was succeeded in October by M. Ghigi. Although only in the early thirties, M. Ghigi had been for seven years "chef de cabinet" to M. Grandi when Minister for Foreign Affairs, and he came here with an excellent reputation as regards both efficiency and charm of manners. He is certainly a man of distinct ability, endowed with plenty of tact, and he is likely to prove a valuable addition to the Committee of Control, as well as to Tangier society. He professes a keen desire to work closely with me, and I think he will be a distinctly useful colleague.

He is not married. (Written in 1933.)

Portugal.—M. Gastão Berjona de Freitas, Consul-General.

M. Berjona came here as consul-general in 1928. He was transferred to Paris in the same capacity at the end of 1929, but returned to Tangier at the end of 1930, much to his satisfaction. He is an agreeable and loyal colleague on whose support I feel that I can rely with confidence.

He was for some time consul at Cardiff and speaks excellent English. He has an American wife. (Rewritten in 1933.)

Spain.—M. Jaime Montero de Madrazo, Consul-General, with personal rank of Minister Plenipotentiary since December 1932.

M. Montero has served in Australia and Glasgow and comes from the Ministry of State in Madrid. He has only just arrived, but he has made an excellent impression and seems to be a welcome change from the many representatives who have been here since I arrived, inasmuch as he shows signs of energy and of the possession of businesslike qualities. He speaks English well, but his French is weak.

He is married, but his wife has not yet arrived. (Written in 1933.)

Brazil, Denmark, Finland, Norway and *Sweden* are represented by trading consuls.

[W 547/101/28] No. 4.

Mr. Gurney to Sir John Simon.—(*Received January* 17.)

(No. 11.)

Sir, *Tangier, January* 9, 1933.

WITH reference to my despatch No. 175 of the 28th December last, I have the honour to transmit herewith copy of a further letter addressed to the president of the Committee of Control by my French colleague in regard to the offer of the Shereefian Government for the relief of the Tangier Zone of a portion of the port loan charges. It will be seen that the proposals now put forward differ somewhat from those previously submitted.

2. They are to the effect that the Shereefian Government will transfer to the Tangier Zone sufficient sums to meet the payments due on the second port loan at the end of January and at the end of July. As regards the first loan, they believe that the zone is itself in a position to provide the sums due in April, but they are prepared to assist the zone to meet the sums falling due in October, "si la situation des encaissements budgétaires de la zone l'exigeait absolument," up to an amount of 635,000 fr., thus bringing their total contribution up to 2,600,000 fr.

3. This letter was considered by the Committee of Control at a meeting held on the 7th instant. After previously discussing the matter with M. de Witasse, I asked him to inform us as to the precise meaning of the phrase quoted above. He then made a statement to the effect that the intention was that the Shereefian Government should hand over to the Tangier Zone such supplementary sums as might be asked for by the latter on the declaration by the zone that the receipts have not exceeded the budgetary provisions ("Le Gouvernement chérifien versera à la Zone de Tanger la somme complémentaire qui lui sera réclamée par celle-ci si la zone déclare que les recettes perçues jusqu'alors n'ont pas dépassé les prévisions budgétaires"). In reply to a further enquiry from me as to the precise meaning of the phrase used in the previous communication from the Shereefian Government to the effect that the sums so advanced would not be recoverable except on the expiration of the statute, M. de Witasse explained that it meant that "quand la Zone internationale aura cessé d'exister, cette dette fera partie de sa succession."

4. It is, I think, clear from this and from the other explanations which M. de Witasse has given that, if the offer is accepted, the Shereefian Government will not be in a position to claim a refund of the money so long as any form of international government continues to exist at Tangier.

5. It will be noticed that, although we were led to believe that the Shereefian Government were prepared to meet the port loan charges, if necessary up to their full amount, and provision is made in the budget of the French Zone for an expenditure of some 4 million francs under this head, their contribution is now limited to 2,600,000 fr. M. de Witasse has explained to me that the difference is due to the fact that the second port loan, which, as you are aware, was taken over by the French Zone, has not yet been placed on the market, and it is calculated by the Protectorate financial authorities that the retention of this loan is costing them some 1½ million francs annually, although neither he nor I could quite understand how this calculation is arrived at.

6. In the light of M. de Witasse's explanations, I consider that I am at liberty to accept the French proposal for this year in virtue of the authority granted by your telegram No. 1 of the 4th January. I did not, however, inform the Committee of Control of my instructions, since neither my Italian nor my Portuguese colleague has received any reply from his Government to the enquiries addressed to them on the subject, and a decision in regard to the French proposal has been postponed to a later date.

I have, &c.
HUGH GURNEY.

Enclosure in No. 4.

French Minister, Tangier, to the President of the Committee of Control.

M. le Président et cher Collègue, *Tanger, le* 3 *janvier* 1933.

AU cours de la dernière réunion de notre comité, j'ai été chargé de demander au Gouvernement chérifien de bien vouloir préciser dans quelle mesure et dans

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quelles conditions il serait disposé à se substituer à la Zone de Tanger pour assurer le paiement des annuités des emprunts du port.

D'après les indications que j'ai recueillies, l'appui offert par le Gouvernement chérifien se manifesterait suivant les modalités ci-après :

1. En ce qui concerne l'emprunt du Crédit foncier (42 millions), le Gouvernement chérifien procurerait à la Zone de Tanger sous forme d'avances de caisse les sommes nécessaires à faire face aux diverses échéances, soit :

	Fr.
en fin janvier	915,000
en fin juillet	1,050,000
Total	1,965,000

2. En ce qui concerne l'emprunt hollandais (31 millions), le Gouvernement chérifien estime que la Zone de Tanger doit pouvoir faire face par ses propres moyens à l'échéance d'avril (1,250,000 fr.).

Quant à l'échéance d'octobre (même chiffre), le Gouvernement chérifien serait disposé à intervenir, si la situation des encaissements budgétaires de la zone l'exigeait absolument, jusqu'à concurrence de 635,000 fr., ce qui porterait sa contribution totale à 2,600,000 fr., celle de la zone n'étant que de 1,865,000 fr.

Je fais remarquer que le chiffre de 2,600,000 fr. représente sensiblement le total de la contribution que la Zone de Tanger attendait d'une aide extérieure pour établir l'équilibre de son budget en 1933.

Veuillez, &c.

Le Ministre plénipotentiaire, chargé du
Consulat général de France,
P. DE WITASSE.

[W 1301/101/28] No. 5.

Mr. Gurney to Sir John Simon.—(Received February 7.)

(No. 24.)

Sir, *Tangier, January* 30, 1933.

I HAVE had the honour to report in my telegram No. 2 of to-day's date that the Committee of Control have at length decided to accept the offers of financial assistance put forward by the French and Spanish Governments. It is regrettable that so much delay should have occurred in settling this matter. It has been due to the fact that, in the first place, the French offer as submitted required a considerable amount of elucidation, and that the Spanish offer was only made on the 22nd instant.

2. I reported in my despatch No. 11 of the 9th January that it had been found necessary at the meeting of the Committee of Control held on the 7th instant to defer a decision on the French proposal pending the receipt of instructions by my Italian and Portuguese colleagues. M. Ghigi received his instructions shortly afterwards. They authorised him to accept the offer, and we together prepared the draft of a letter to be addressed to the Resident-General of the French Zone, which we proposed to submit to the Committee of Control, explaining our understanding of the offer and providing for the safeguards which appeared to us to be necessary.

3. In view of the fact that my Spanish colleague had made no observations on the French proposal at any of the meetings at which they have been discussed, it had been generally assumed that he was prepared to accept the offer. It came therefore as a surprise to us to learn, after the draft in question had been prepared, that he had no instructions on the subject. I found further that he had not grasped the essential conditions of the financial problem, and had not realised that there was any need for haste. I explained the position to him, however, particularly the fact that the zone would be placed in an embarrassing situation if a decision were not reached by the end of this month, when a considerable payment is due on account of the Port Loans, and I suggested that

the best way of approaching his Government would be to communicate to them by telegraph the draft letter above mentioned, and ask whether he could be authorised to accept it as it stood. M. Montero undertook to do so, and, on the 22nd instant, he communicated to us the memorandum, of which I enclose a copy herein.

4. It is to the effect that the authorities of the Spanish Zone are prepared to contribute one-half of the sum mentioned by the French Government, that is to say, up to 1,300,000 fr., with a view to balancing the budget. It is stated that, on the acceptance of their offer, they are prepared to hand over at once the sum of 450,000 fr., representing one-half the amount required to meet the payment due as above mentioned on the 1st February. Nothing is said as to how or when the remainder would be forthcoming, nor is there any mention of the conditions as to repayment on which the advances are to be made. It was subsequently ascertained by M. Montero that his Government were prepared to pay the other instalments on the same dates as those mentioned in the French offer, and to accept conditions similar to those accepted by the French Government.

5. My Italian colleague and I agreed that our instructions permitted us to accept this offer, and, as we found that it gave rise to no objection on the part of our French colleague, steps were taken to prepare the draft of a letter to be addressed in identical terms to the Resident-General of the French Zone and the High Commissioner of the Spanish Zone on the lines of the preceding draft. In the paragraph dealing with the conditions of repayment this draft employed a formula prepared by M. de Witasse on instructions from his Government to the effect that the advance in question would not be repayable so long as Tangier was "doté d'un régime spécial conforme à l'esprit des traités et consenti par Sa Majesté chérifienne avec l'accord des Puissances intéressées." My Spanish colleague submitted some amendments of detail, which my French and Italian colleagues and I readily accepted, but he also asked, on instructions from his Government, that the formula above quoted should be modified by the omission of all allusion to "His Shereefian Majesty." This was not unnaturally unacceptable to my French colleague, and both he and M. Montero applied to their Governments for instructions. Neither side was, however, ready to give way, and it was finally agreed to solve the difficulty by addressing a separate letter to each Government, in which its own particular formula would be employed.

6. I transmit herewith the drafts as finally worked out between the four of us, and accepted by the Committee of Control at to-day's meeting. I think they contain adequate safeguards, although the drafting is clumsy, owing to the necessity of conciliating both the French and the Spanish points of view.

7. M. de Witasse and M. Montero were able to assure us officially that the terms were acceptable to their Governments, and we are therefore communicating the letters to the Administrator without waiting for confirmation from Rabat and Tetuan. They also undertook to ask by telegraph that the sums in question should be placed immediately at the disposal of the zone to meet the charges on the Port Loans due at the beginning of February.

8. It has not been possible to vote the budget pending the settlement of this question, and the Committee of Control have accordingly had to issue another order providing for the execution of the 1932 budget for a further month by the system of "douzièmes provisoires."

9. Copy of this despatch and enclosures has been forwarded to His Majesty's consul-general at Rabat.

I have, &c.
HUGH GURNEY.

Enclosure 1 in No. 5.

Statement made by Spanish Consul-General to Committee of Control.

LE Gouvernement de la République espagnole vient d'examiner à nouveau la situation qui s'est produite à cause de l'insuffisance des recettes prévues pour défrayer les dépenses considérées comme non susceptibles de réduction et en vue de l'offre généreuse du Gouvernement chérifien de verser à la Zone de Tanger comme avance de caisse jusqu'à la somme de 2,600,000 fr., chiffre qui a été considéré nécessaire pour obtenir la nivelation du budget pour l'année 1933.

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Le Gouvernement de la République, tenant compte de la situation spéciale de la Zone internationale dans ses rapports avec la Zone espagnole et l'intérêt que pour celle-ci ont les services de Tanger, qui n'est pas moindre que l'intérêt que ces services ont pour la Zone française, et désirant, en même temps, fournir une nouvelle preuve de sa bonne disposition pour donner une solution à la crise dont Tanger souffre, a posé au Maghzen de Tétouan la nécessité de contribuer encore plus activement au relèvement de la crise tangéroise. Le Maghzen de Tétouan, suivant ces indications, a décidé de mettre à la disposition de l'Administration de la Zone internationale la moitié de la somme estimée comme nécessaire pour arriver à l'équilibre du budget de 1933, jusqu'au chiffre de 1,300,000 fr., comme avance sans intérêts. A cet effet, des ordres seront communiqués afin qu'aussitôt cette offre acceptée, la somme de 457,000 fr. soit mise à la disposition de l'Administration de Tanger, c'est-à-dire la moitié du montant de l'échéance du 1er février relative à l'emprunt du Crédit foncier.

Cette nouvelle aide économique est accordée pour l'ensemble de la totalité des obligations du budget et ne vise spécialement aucune obligation déterminée, étant indépendante des subventions qui ont été déjà accordées et qui ont fait l'objet de ma lettre en date du 22 décembre 1932.

Le Maghzen de Tétouan espère que l'Administration de Tanger estimera dûment cette offre généreuse, qui lui fait partager également que le Maghzen de Rabat les sacrifices imposés par la crise actuelle, et ne manquera pas de réaliser tous les efforts possibles tendant à obtenir l'équilibre du budget de Tanger ou tout au moins à réduire considérablement son déficit.

Enclosure 2 in No. 5.

Letter to be addressed by the President of the Committee of Control to the Resident-General of the French Zone.

M. le Résident général,

LE Comité de Contrôle a pris connaissance des propositions qui lui sont parvenues de la part du Gouvernement de Rabat ainsi que du Gouvernement de Tétouan en vue d'une contribution financière à la Zone de Tanger.

Le Comité de Contrôle est heureux de constater que les propositions bienveillantes des Gouvernements des deux Zones sont inspirées par leur désir d'apporter, pour des raisons d'équité, le concours des deux zones voisines à un allégement rendu nécessaire par la disproporition des charges qui frappent la Zone de Tanger.

D'après les termes de ces propositions, et d'après les explications qui ont été fournies par MM. les représentants de l'Espagne et de la France, le Comité de Contrôle croit pouvoir retenir que les contributions des deux Gouvernements se réaliseraient et se compléteraient de la façon suivante :

Le Gouvernement de la Zone française versera à la Zone de Tanger la moitié des sommes nécessaires pour faire face aux échéances de l'emprunt de 42 millions contracté par la Société du Port avec le Crédit foncier d'Algérie et de Tunisie, soit en fin de janvier 457,500 fr. et en fin de juillet 525,000 fr., représentant un total de 982,500 fr. Le Gouvernement de la Zone française versera en outre à la Zone de Tanger la somme de 317,500 fr. à l'échéance d'octobre de l'emprunt hollandais. Il est entendu que, si l'Administration de Tanger arrivait à réduire la différence entre ses dépenses et ses recettes budgétaires, les contributions des deux zones seraient diminuées dans la même proportion lors des versements de juillet et d'octobre.

Les sommes ainsi avancées ne donneront lieu au paiement d'aucun intérêt et le remboursement de ces avances ne sera pas réclamé aussi longtemps que Tanger sera doté d'un régime spécial conforme à l'esprit des traités et consenti par Sa Majesté chérifienne avec l'accord des Puissances intéressées. Il sera aussi entendu que les avances en question ne donneront lieu à aucun gage et qu'il ne sera pas question de faire jouer la clause de l'article 40 de la Convention de Paris de 1923, qui vise le cas d'un défaut d'exécution par l'Administration de Tanger des obligations qui lui incombent en raison des emprunts du port.

Je suis chargé par le Comité de Contrôle d'exprimer à votre Excellence ses meilleurs remerciements et de l'informer qu'il est heureux d'accepter, dans ces conditions et pour l'année en cours, l'aide financière ainsi offerte à la zone. Je serai, partant, reconnaissant à votre Excellence de bien vouloir me faire savoir que le comité a bien interprété ci-dessus les bienveillantes dispositions de son Gouvernement à cet égard.

Le Gouvernement de la Zone espagnole versera à la Zone de Tanger la somme totale de 1,300,000 fr. pour faire face à l'ensemble de ses obligations budgétaires. Cette somme sera versée de la manière suivante: 457,500 fr. en fin janvier 525,000 fr. en fin juillet et 317,500 fr. en fin octobre.

Enclosure 3 in No. 5.

Letter to be addressed by the President of the Committee of Control to the High Commissioner of the Spanish Zone.

M. le Haut-Commissaire,

LE Comité de Contrôle a pris connaissance des propositions qui lui sont parvenues de la part du Gouvernement de Rabat ainsi que du Gouvernement de Tétouan en vue d'une contribution financière à la Zone de Tanger.

Le Comité de Contrôle est heureux de constater que les propositions bienveillantes des Gouvernements des deux Zones sont inspirées par leur désir d'apporter, pour des raisons d'équité, le concours des deux zones voisines à un allégement rendu nécessaire par la disproportion des charges qui frappent la Zone de Tanger.

D'après les termes de ces propositions, et d'après les explications qui ont été fournies par MM. les représentants de l'Espagne et de la France, le Comité de Contrôle croit pouvoir retenir que les contributions des deux Gouvernements se réaliseraient et se compléteraient de la façon suivante :

Le Gouvernement de la Zone espagnole versera à la Zone de Tanger la somme totale de 1,300,000 fr. pour faire face à l'ensemble de ses obligations budgétaires. Cette somme sera versée de la manière suivante : 457,500 fr. en fin janvier, 525,000 fr. en fin juillet et 317,500 fr. en fin octobre. Il est entendu que, si l'Administration de Tanger arrivait à réduire la différence entre ses dépenses et ses recettes budgétaires, les contributions des deux zones seraient diminuées dans la même proportion lors des versements de juillet et d'octobre.

Les sommes ainsi avancées ne donneront lieu au paiement d'aucun intérêt et le remboursement de ces avances ne sera pas réclamé aussi longtemps que Tanger sera doté d'un régime spécial conforme à l'esprit des traités et d'accord entre les hautes parties intéressées.

Il sera aussi entendu que les avances en question ne donneront lieu à aucun gage.

Je suis chargé par le Comité de Contrôle d'exprimer à votre Excellence ses meilleurs remerciements et de l'informer qu'il est heureux d'accepter, dans ces conditions et pour l'année en cours, l'aide financière ainsi offerte à la zone. Je serai, partant, reconnaissant à votre Excellence de bien vouloir me faire savoir que le comité a bien interprété ci-dessus les bienveillantes dispositions de son Gouvernement à cet égard.

Le Gouvernement de la Zone française versera à la Zone de Tanger la moitié des sommes nécessaires pour faire face aux échéances de l'emprunt de 42 millions contracté par la Société du Port avec le Crédit foncier d'Algérie et de Tunisie, soit en fin de janvier 457,500 fr. et en fin juillet 525,000 fr., représentant un total de 982,500 fr. Le Gouvernement de la Zone française versera, en outre, à la Zone de Tanger la somme de 317,500 fr. à l'échéance d'octobre de l'emprunt hollandais.

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[W 2115/101/28] No. 6.

Mr. Gurney to Sir John Simon.—(*Received February* 27.)

(No. 32.)

Tangier, February 18, 1933.

Sir,

WITH reference to my despatch No. 24 of the 30th ultimo in regard to the offers of financial assistance received from the French and Spanish Governments, I have the honour to report that letters have now been received from the authorities of the French and Spanish Zones officially confirming the arrangements outlined in the letters addressed to them by the president of the Committee of Control on the subject, copies of which were enclosed in my despatch under reference.

2. It will be recollected that it was laid down as one of the conditions of the offers that the sums to be advanced in July and August should be reduced if the Tangier Administration succeeded in reducing the difference between its budgetary receipts and expenditure. Some apprehension has been felt lest the product of any new taxation which may be subsequently imposed would merely accrue to the benefit of the French and Spanish Zones, whose contributions would be correspondingly diminished. With a view to allaying this apprehension and in order to make the position quite clear it was decided at the last meeting of the Committee of Control, with the full concurrence of the French and Spanish representatives, to inform the administrator officially that these contributions will only be reduced if the receipts provided for in the budget exceed the estimates. I enclose herein copy of the letter addressed to the administrator on the subject.

3. I am sending copy of this despatch to His Majesty's consul-general at Rabat.

I have, &c.
HUGH GURNEY.

Enclosure in No. 6.

President of the Committee of Control to the Administrator, Tangier Zone.

Tanger, le 15 *février* 1933.

M. l'Administrateur,

J'AI l'honneur de vous faire savoir que M. le Résident général de France à Rabat et M. le Secrétaire général de la Zone espagnole, remplissant par intérim les fonctions de Haut-Commissaire, ont bien voulu confirmer officiellement les modalités des subventions accordées à Tanger par les Gouvernements des Zones espagnole et française, telles que le Comité de Contrôle les avait définies dans ses deux lettres qui vous ont été communiquées le 30 janvier.

Toutefois, le Comité de Contrôle croit devoir préciser que les contributions dont il s'agit ne seraient diminuées que dans le cas où les recettes excéderaient les prévisions budgétaires. Et il est bien entendu que ces prévisions s'appliquent au budget ordinaire, le seul que le Comité de Contrôle ait été appelé à approuver, et non pas à des recettes extraordinaires faisant partie d'un budget complémentaire et purement éventuel.

Veuillez, &c.
Le Consul général d'Espagne,
Président du Comité de Contrôle,
J. MONTERO.

[W 2921/101/28] No. 7.

Mr. Gurney to Sir John Simon.—(*Received March* 16.)

(No. 39.)

Tangier, March 8, 1933.

Sir,

WITH reference to my despatch No. 24 of the 30th January last, I have the honour to report that the budget for 1933 was voted by the Assembly in time for it to be approved by the Committee of Control before the end of February. I will forward the text as soon as it is published in the *Bulletin officiel*, and I enclose a table giving a summary of receipts and expenditure, as compared with the original budget and with the budget for 1932.

2. I had the honour to furnish a report in regard to the budget as originally presented in my despatch No. 150 of the 2nd November, 1932. I had also the honour to inform you, in my despatch No. 175 of the 28th December, of the amendments which the Committee of Control felt bound to recommend in the revised budget as passed by the Assembly.

3. We decided not to communicate these amendments to the Administration until we were in a position to inform them at the same time of the extent of the assistance to be furnished by the Powers and the form which it would take. We were not able to do this until the 30th January, when a letter was addressed to M. Le Fur on the subject for communication to the Assembly. In this letter we informed him of the decision of the Spanish Government to allow Tangier to retain the whole of the *taxe spéciale* levied in this zone during the current year, as well as to contribute 500,000 fr. to the cost of the Customs. On the other hand, the contribution from the Powers provided for in the budget had to be reduced from 2,800,000 to 2,600,000 fr., and we stated that the economies proposed in connexion with the gendarmerie could not be realised, nor could the vote for the Customs Service be reduced below the sum of 1,954,616 fr. allowed by the Committee of Control as a result of their arbitration. These amendments were accepted by the Assembly without demur.

4. The budget, as now finally promulgated, provides for a total revenue of 22,084,500 fr., as compared with the original estimate of 18,969,500 fr., and an expenditure of 22,079,587 fr., as compared with 22,270,984 fr., showing a credit balance of 4,913 fr. instead of a deficit of 3,301,484 fr. Whilst the increase in estimated receipts is due to the assistance rendered by France and Spain, the decrease in expenditure is made up mainly of reductions in the estimated amounts due in connexion with the Tangier–Fez Railway and in the vote for the Customs Service.

5. From the enclosed table, which gives a summary of receipts and expenditure as compared with the original budget and with the budget for 1932, it will be seen that provision for the Committee of Control is increased from 15,000 fr. to 26,000 fr. This increase was asked for with a view to providing for the salary of a typist. It is covered by savings effected in the past, but which, under a recent ruling of the Court of Accounts, have to be refunded to the Treasury.

6. The reserve fund now stands at a sum of about 1,950,000 fr. Authority was granted by the Assembly last month to make use of 1,500,000 fr. of this sum to meet current expenditure in the event of receipts being temporarily insufficient to cover the statutory and other charges. The Administration have not had, however, to draw on this credit to any considerable extent, in view of the payments already made by the French and Spanish Governments on account of their promised contributions.

7. I am sending a copy of this despatch to His Majesty's consul-general at Rabat.

I have, &c.
HUGH GURNEY.

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Enclosure in No. 7.

Tangier: Summary of Budgetary Provisions.

	1932.	1933. As originally submitted.	1933. As finally voted.
	Fr.	Fr.	Fr.
1. General receipts—			
Direct taxes—			
Taxe urbaine	2,100,000	1,760,000	1,760,000
Indirect taxes—			
Customs	7,350,000	5,752,000	5,777,000
Taxe spéciale	2,440,000	1,718,000	1,743,000
Consumption duties ...	2,531,000	2,034,000	2,034,000
Registration and stamp duties	1,470,000	1,550,000	1,610,000
Tobacco tax	560,000	500,000	500,000
Tax on Treasury payments ...	200,000	120,000	...
Domains	120,000	110,000	110,000
Monopolies, &c.	1,885,000	1,440,000	1,440,000
Miscellaneous	1,452,000	1,361,000	4,461,000
	20,108,000	16,345,000	19,435,000
2. Municipal receipts—			
Direct taxes—			
Tax on vehicles	300,000	300,000	325,000
Indirect taxes—			
Gate tax	610,000	640,000	640,000
Market tax	825,000	830,000	830,000
Miscellaneous	617,000	854,500	854,500
	2,352,000	2,624,500	2,649,500
Total receipts ...	22,460,000	18,969,500	22,084,500
3. General expenditure—			
Loan services—			
Share of service of 1904 and 1910 loans	500,000	500,000	500,000
Tangier–Fez Railway ...	1,450,000	1,550,000	1,450,000
Port loans	3,800,000	4,450,000	4,450,000
Caisse de Prévoyance ...	188,000	190,200	177,000
Committee of Control	15,000	15,000	26,000
Department of Justice and Prisons	244,200	234,200	222,860
Mixed Court	1,015,625	1,012,000	955,260
Legislative Assembly	189,000	189,000	177,960
General Administration ...	770,750	750,750	686,088
Native Administration	140,000	140,000	140,000
Gendarmerie	1,000,000	760,000	731,775
Department of Finance	1,755,425	1,683,560	1,608,554
Customs	2,208,926	2,100,000	1,954,616
State Public Works	1,104,650	1,041,250	1,022,435
Miscellaneous	843,086	664,000	810,000
	15,224,662	15,279,960	14,912,548

	1932.	1933. As originally submitted.	1933. As finally voted.
	Fr.	Fr.	Fr.
4. Municipal expenditure—			
Department of Public Health and Relief	1,222,125	1,160,875	1,124,620
Municipal Public Works ...	3,899,679	3,716,875	4,089,804
Municipal Police	2,001,025	2,013,274	1,902,615
Contingencies	100,000	100,000	50,000
	7,222,829	6,991,024	7,167,039
Total expenditure ...	22,447,491	22,270,984	22,079,587
Total receipts ...	22,460,000	18,969,500	22,084,500
Balance ...	+12,509	−3,301,484	+4,913

[**W 10261/3372/28**] No. 8.

Admiralty to Foreign Office.

Sir, *Admiralty, September* 8, 1933.

WITH reference to your letter of the 16th ultimo, forwarding a report from His Majesty's consul-general at Tangier concerning the situation in the Tangier Zone, I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Secretary of State for Foreign Affairs, that they cannot view with equanimity the weakening in the international character of the régime and the increasing extent of French control in the zone.

Should the situation develop as foreshadowed by Mr. Gye, my Lords suggest that the matter should again be brought to the notice of the Committee of Imperial Defence.

I am, &c.
J. S. BARNES.

[**W 11055/3372/28**] No. 9.

Mr. Gye to Sir John Simon.—(Received October 2.)

(No. 109.)

Sir, *Tangier, September* 22, 1933.

WITH reference to my despatch No. 86 of the 24th July, in which I enclosed copy of a statement which I placed on record at the last meeting of the Committee of Control, in regard to the proposed two small loans for the purpose of (1) port works, and (2) development of the town, I venture to put forward now, pending the discussion of the 1934 budget, my views in regard to the financial prospects of the Tangier Zone in so far as they can be estimated from the information in my possession.

2. It is certainly clear that the budget for 1934 cannot be balanced without the French and Spanish contributions, which, as you, Sir, will recall, were accepted last year as a purely temporary emergency measure. As I have pointed out, the continuance of these subsidies must inevitably strengthen the interests of the French and Spanish Governments in the zone.

3. The very existence of these subsidies constitutes a vital threat to the international régime. Should the French decide to discontinue these grants, an action which in all probability would be imitated by the Spanish, the international régime would be unable to pay in full the service of the port loans. In that case the French, in virtue of article 40 of the Convention of Paris, may resume sole financial control of the port. Thus the French are in the position, at any moment of their own choosing, to take possession of yet another of Tangier's key services.

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4. The only method of avoiding this eventuality would be to float an international loan guaranteed by the interested Powers, which, while preserving and emphasising the international character of the Tangier Zone, would allow of the funding of the existing port loans at a considerably lower average rate of interest and thus relieve the zone of a considerable part of the heavy charges at present existing. At present the fixed annual charges imposed by the statute (excluding the cost of the administration) amount to some 29 per cent. of the *gross* estimated receipts (including subsidies from the French and Spaniards amounting to 3,600 fr.), and to some 35 per cent. for the *nett* receipts.

5. Having regard to the views expressed in the letter from the Admiralty of the 8th instant, copy of which was enclosed in your despatch No. 162 of the 14th instant, I feel bound to urge that, should the Committee of Imperial Defence incline to the view that the preservation of the international character of the zone is of importance to British interests, the question of His Majesty's Government guaranteeing a part of an international loan should be very seriously considered.

6. From remarks made to me, and, I believe, also to my predecessor, by my Italian colleague, there would appear some prospect of the Italian Government not being unwilling to act on similar lines. It is fairly certain that in this event the French and Spanish Governments would also join.

I have, &c.
ERNEST F. GYE.

[W 11560/3372/28] No. 10.

Foreign Office to Treasury.

(Confidential.)

Sir, *Foreign Office, October* 14, 1933.

I AM directed by Secretary Sir John Simon to call the attention of the Lords Commissioners of His Majesty's Treasury to the conclusion approved by the Committee of Imperial Defence in December 1931, that the maintenance of an international régime in Tangier was then of even greater importance than at the time of its institution by the Convention for the Statute of Tangier signed in December 1923—(C.I.D. Paper 1061–B).

2. For some time past, Sir John Simon has been concerned by reports of the dominating position which the French authorities have already been able to acquire at Tangier in spite of the Tangier Statute, and he feels considerable apprehension lest, unless checked, they may soon establish such a position as to be able to defeat all attempts of His Majesty's Government to secure by November 1935 (the time-limit fixed under article 56) a revision of the Tangier Statute which will correct these tendencies and reimpose the proper international character of the zone.

3. Sir John Simon is especially anxious at the moment, owing to the opportunity which the French are taking to consolidate their position at Tangier as a result of the inability of the zone to meet the deficit of its budget, including the service of the port loans, which, so as to enable the budget to be balanced at the beginning of this year, the French and Spanish Governments have agreed to pay to the amount of 2,600,000 fr. It is, moreover, certain that the budget estimates at the end of this year will again show a deficit, which the French and possibly Spanish Governments will help to meet by once more contributing to the service of the port loans.

4. At the same time, as reported in Foreign Office letter of the 16th August last, the French authorities are endeavouring to persuade the zone to raise a further loan of 10 million francs, the service of which they doubtless also count on assuming if eventually necessary. This 10-million-franc loan has the additional advantage in French eyes of encouraging the Tangier authorities forthwith to finish off the uncompleted works on the port by a short traverse, which would not allow big liners to enter. It would thus become impossible for Tangier to benefit by the tourist traffic, which at present secures a large revenue for the rival ports in French Morocco.

5. Sir John Simon further hopes that their Lordships will pay especial attention to the despatch(1) from His Majesty's consul-general at Tangier of

(1) No. 9.

the 22nd September, a copy of which is transmitted herewith, which, after referring to the above dangers, recalls that under article 40 of the Tangier Statute of 1923, in default of the fulfilment by the zone of its obligations under the port loans, the Shereefian Government (*i.e.*, the French authorities) will assume the sole financial control of the concession. Thus, it is also open to the French, by refusing at any moment the continuance of their contributions to the service of the port loans, to take possession, as Mr. Gye says, of yet another of Tangier's key services.

6. As the only way of preventing Tangier from becoming less and less international and more and more under French control, Mr. Gye recommends the guaranteeing by the interested Powers of an international loan for the purpose of funding the existing port loans, which amount to 73 million francs (£600,000).

7. In this connexion, Mr. Gye refers to a letter from the Admiralty, a copy of which is also transmitted herewith, in which their Lordships state that they cannot view with equanimity the weakening in international character of the régime and the increasing extent of French control in the zone, and suggest that should the situation continue to develop in this sense, the matter should again be brought to the notice of the Committee of Imperial Defence.

8. It is in the hope that this will not prove necessary that Sir John Simon trusts that the Lords Commissioners of His Majesty's Treasury will give their most serious consideration to the possibility of sanctioning the guaranteeing by His Majesty's Government of a loan such as is envisaged by Mr. Gye for the funding of the existing Tangier port loans. If such a loan were also guaranteed by the French, Spanish and Italian Governments, the amount to be guaranteed by His Majesty's Government would be approximately £150,000, or less if, as is possible, some other smaller Powers such as Holland or Portugal wished to participate.

9. The matter is of some urgency, since it is feared that the French authorities may, during the present month, succeed in getting the scheme for a further 10-million-franc loan accepted by the zone.

I am, &c.
A. W. A. LEEPER.

[W 12117/3372/28] No. 11.

Treasury to Foreign Office.—(*Received October* 25.)

Sir, *Treasury Chambers, October* 24, 1933.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Leeper's letter of the 14th instant, requesting that the most serious consideration should be given to the possibility of His Majesty's Government guaranteeing a loan for the purpose of funding the existing Tangier port loans.

In reply, I am to request you to inform Secretary Sir John Simon that it would be contrary to present financial policy to give such a guarantee which would, moreover, require a specific Act of Parliament. My Lords regret, therefore, that they are unable to agree to the proposal submitted in the letter under reply.

In the opinion of their Lordships the most suitable method of providing any necessary financial assistance for Tangier would be, as indicated in earlier correspondence, by means of a grant, provided on the estimate for diplomatic and consular services, towards the annual budgetary deficit of the zone.

I am, &c.
R. V. NIND HOPKINS.

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[W 12117/3372/28] No. 12.

Foreign Office to Committee of Imperial Defence.

(Secret.)

Sir, *Foreign Office, November* 9, 1933.

I AM directed by Secretary Sir John Simon to refer to your letter of the 15th December, 1931, enclosing a copy of the minutes of the 254th meeting of the Committee of Imperial Defence, in which they approved the conclusion of the Chiefs of Staff that the maintenance of an international régime in Tangier was in 1931 of even greater importance than at the time of its institution in 1923.

2. In this connexion I am to transmit herewith a copy of correspondence with the Lords Commissioners of His Majesty's Treasury regarding the guaranteeing by His Majesty's Government of a portion of a loan for funding the existing Tangier port loans. The view put forward by the Foreign Office, and approved by the Admiralty, on the basis of reports from His Majesty's consul-general at Tangier, is that if the French continue enabling the International Administration to balance the budget, as they did last year, by meeting the charges of the port loans, they will increase their already dominating influence to such an extent that they will be able to secure it for good when the Tangier Statute comes up for revision at the end of 1935. Sir John Simon sees no other way of preventing this except by funding the port loans, which amount to 73 million francs (£600,000), by a loan to be guaranteed in any case by His Majesty's Government, the French, Spanish and Italian Governments and possibly by one or two smaller Powers, the United Kingdom share being thus at most £150,000.

3. The view of the Treasury is that such a guarantee would be contrary to their policy and would require a specific Act of Parliament, and their Lordships suggest instead an annual grant towards the budgetary deficit of Tangier, such as the grant of £5,000 sanctioned by them at the end of last year. I am to point out that such a contribution has already been considered by His Majesty's consul-general at Tangier, who is of opinion that it would not be of any material use. Sir John Simon agrees that such a temporary expedient would not only not prevent the French from strengthening their position at Tangier, but would also not provide the counter-balance of a proper international port commission, which could be insisted upon by the Powers guaranteeing the funding loan, in place of the present commission dominated by the French.

4. If the Committee of Imperial Defence are still of opinion that the preservation of the genuinely international character of the Zone of Tangier is of vital importance to the empire, I am to request that they will give their urgent attention, before the French have had time to issue a further loan, which has already actually been submitted by the Legislative Assembly to the Committee of Control, to the need of guaranteeing in the immediate future a loan for the funding of the existing loans of the Port of Tangier.

I am, &c.
A. W. A. LEEPER.

[W 14608/2988/28] No. 13.

Mr. Gye to Sir John Simon.—(*Received December* 22.)

(No. 132.)

Sir, *Tangier, December* 12, 1933.

I HAVE the honour to transmit herewith a memorandum prepared by Colonel Ellis, the British Vice-President of the Assembly, summarising the views of the British delegation on that body as expressed in an interview the delegation had with me recently. The views expressed in this memorandum will be found to coincide very closely with those expressed by the British delegation which presented a petition to the Foreign Office in March last (please see p. 4 of the petition and the first page of the memorandum prepared by the Foreign Office). Colonel Ellis has himself expressed these views in a memorandum he prepared for the Foreign Office, copy of which I enclosed in a letter to Sir George Mounsey dated the 16th May last.

2. In addition, Mr. Dicken, who has kept me very closely informed of the progress of the budget, has, independently of the delegation, expressed similar views. Mr. Dicken likewise expressed concern at the manner in which the Administration, without making any opposition, allowed the engineer-in-charge of Municipal Works (a Spaniard) to scheme to cause the vote for Public Works to be increased against Mr. Dicken's advice. Furthermore, the Administration has caused the Assembly to authorise the purchase of a new motor car for his personal use, although his old car is still serviceable.

3. My own observations certainly bear out the accuracy of the British delegation's and Mr. Dicken's remarks. At the full meeting of the Assembly which met yesterday to examine the budget, whole chapters of the budget were voted without discussion. In particular I would cite the case of the Public Works voting, amounting to a total of over 3 million francs. This the chairman attempted to rush through in one vote. Fortunately Colonel Ellis managed to introduce one amendment, which was adopted, to the effect that, of the amount voted for major works, the whole of it should not be at the free disposal of the municipal engineer, but only one-half. The balance is to be freed only in payment of schemes which have been examined and approved by the Assembly.

4. If the Legislative Assembly could be persuaded to examine all financial questions with impartiality, I am convinced that it would find means of economising in several directions. At present the only departments whose budgets are closely scrutinised are those of the Director of Finance and judicial adviser. The Assembly seem to wish to impair the efficiency of these departments so that they can escape paying their taxes, &c., and indulge in other ramps.

5. It is difficult, if not impossible, for the Committee of Control to take effective steps to deal with the situation without precipitating a crisis. I realise very well the undesirability of such a course, and trust that nothing may happen to force the issue before the revision of the statute.

I have, &c.
ERNEST F. GYE.

Enclosure in No. 13.

Memorandum by Colonel Ellis.

WE regret having to inform you that, as British members of the Legislative Assembly, we wish to bring to your notice our views as to the manner in which business is being transacted in the Assembly and in committee, particularly with reference to the budget.

We have just completed a series of sittings of the Finance Committee, either meeting alone or together with other committees. We consider that the discussion on the budget has been purely a matter of form, and that the French and Spanish members were in agreement beforehand. In fact, the only discussions on questions of economy which were raised were on the budgets of the Finance Director's and Judicial Adviser's Departments. These were discussed even acrimoniously; but when it came to the discussion on the Travaux publics d'Etat, Travaux publics municipaux, Police and Hygiène, the procedure was literally ridiculous.

It was evident that the French and Spanish were in agreement, and whole chapters of the budget were voted *en bloc*. We tried to register a protest, but, even when we were heard, no notice was taken of our objections, but the articles were put to the vote and carried. One small instance will indicate the trend of events. In the budget of last year a certain sum was included for the Ingénieur des Travaux publics d'Etat for transport. In effect, this was an allowance to the engineer, on a supposed kilometric basis, for the use of his own private car on the public service—a thing in itself open to grave objection. Last year the figure was slightly reduced on Spanish insistence.

This year, however, the figure of 18,000 fr. (or about £220) was inserted, and no objection was made by the Spanish delegation as the French had agreed that the engineer-in-charge of Municipal Works (a Spaniard) should have the same amount. These two votes were passed by the majority. If this reasoning were carried to its logical conclusion, the Directors of Finance and of Judicial Services,

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who use private cars to a certain extent in the public service, should also have received this allowance; but as it was only a question of English and Italian interests, this proposal would find no support and we certainly were not inclined to increase expenditure in this way.

A further cause of increase was the proposal that the officers and *sous-officiers*, European and native, of the gendarmerie should belong to the *caisse de prévoyance*, thus putting a further charge on the zone. This principle previously had always been refused on the ground that these officers were not in reality *fonctionnaires* of the zone; but it was carried this year, the native n.c.o. having been included to gain the Moorish vote.

There is a further scheme on foot to extend this privilege to the doctors, veterinary surgeons, &c., who receive indemnities and are not whole time employees. This is intended merely to create a precedent so that all auxiliary employees in Public Works and elsewhere should, in effect, receive a 3 per cent. increase under the disguise of belonging to the *caisse de prévoyance*.

We are firmly of opinion that the Assembly has ceased to have an international character, and that, to all intents and purposes, there is a Franco-Spanish condominium working entirely in their own interest and not that of the zone, which has the benevolent assistance of the Administrator. We know that this *bloc* has arranged to adopt certain lines with regard to the Tobacco Monopoly and with regard to Public Works.

With regard to the latter, a budget was put up nominally by the Administrator, but the engineer sent a note to the Spanish president, which had not been circulated to other members, asking for an increase in various articles, many of which were accepted, and which the Administration also accepted in silence, notably, an increase of 2,000 fr. for the upkeep of roads.

In the face of the Franco-Spanish *bloc*, all our endeavours to secure sound finance are vain. We realise that under existing circumstances nothing can be done to remedy this evil, but we feel it our duty to place our views before you, and to inform you that we much regret to say that our delegation has lost any power it had, and that we are unable to carry any weight with regard to economies or British interests. Formerly, we could, by working with either one or the other party, obtain advantages for Tangier, but in the present circumstances of a Franco-Spanish *bloc*, we find ourselves impotent and are barely listened to with courtesy.

We very regretfully wish to inform you again that we consider that the Assembly, as at present constituted, has ceased to be international in any way, but merely represents either Franco-Spanish or personal interests.

We had considered the question of withdrawal, but decided that abstinence from attendance, or silence at meetings, might be misinterpreted (especially in view of the way in which the other representatives act under official instructions) as implying either that His Majesty's Government had no interest in Tangier or was of the opinion that the statute was a failure and had withdrawn her representatives from the Assembly.

I have, &c.
W. F. ELLIS.

CHAPTER II.—FRENCH ZONE.

[W 25/25/28] No. 14.

Memorandum respecting Taxation on British Subjects in the French and Spanish Zones of Morocco.

IN Morocco the right of both the French and the Spanish authorities to levy taxes on British subjects in their territory is defined by treaty.

2. According to article 4 of the General Treaty between Great Britain and Morocco of the 9th December, 1856, British subjects are not obliged to pay any taxes or impositions, by which is understood any form of personal taxation.

3. As regards the French Zone, exceptions have since been allowed to this by treaty, *e.g.*, in 1880 by articles 12 and 13 of the Madrid Convention of 1880 (agricultural taxes or "tertib" and gate taxes) and in 1906 by articles 59, 61 and 65 of the General Act of Algeciras ("tertib" tax on urban buildings, (')professional tax or *patente*, stamp duty, real property transfer tax, &c.). Exceptions have also been made in the French Zone by diplomatic correspondence, *e.g.*, tax on sale of liquor, tax on building sites, consumption duties on candles, tea, petrol, oils, &c., personal residence tax or *taxe d'habitation*. Similar exceptions have also been admitted in the Spanish Zone.

4. According to article 6 of the Anglo-Moroccan Commercial Convention of 1856, British subjects are not to pay higher import or export duties than those paid by subjects of other foreign Powers.

5. According to article 7 of the Commercial Convention, British subjects are not to pay more than 10 per cent. duty on goods imported into Morocco, or more than a certain tariff on goods exported from Morocco.

6. Exceptions have since been allowed to this, *e.g.*, in 1906 by article 66 of the General Act of Algeciras (temporary 2½ per cent. *ad valorem* duty on imports).

7. Paragraphs 4, 5, and 6 above refer only to goods imported by British subjects. Inequality based on origin is prohibited *inter alia* by article 4 of the Franco-German Convention of 1911 and by article 4 of the Franco-British Declaration of 1904.

8. If the authorities in Morocco desire to extend to British subjects or to goods imported by them any taxation outside either the Commercial Convention or the treaty and convention exceptions, they must first ask and obtain permission from His Majesty's Government. Similarly, if they seek to impose on goods of British origin duties which are discriminatory, His Majesty's Government's agreement would be required.

9. Their rights to levy taxation being thus limited, the authorities in Morocco are further restricted in their power to enforce taxation on British subjects (article 9 of the General Treaty of 1856). They cannot enforce payment by British subjects of any personal taxation, unless and until such taxation has been made applicable to British subjects by King's Regulation, since the only judicial tribunals in which British subjects can be attacked are the British consular courts.

10. In the case, however, of certain types of taxation (in particular, export and import duties) payment can be enforced without the necessity of any proceedings against the individual, *i.e.*, by the detention of the goods in the customs-house, &c.

11. The legal position being as described above, it remains to lay down the principles on which His Majesty's Government should decide when to accede, and when not to accede, to requests for their agreement to forms of taxation which (without such agreement) would infringe treaty rights. It would be better to consider export and import duties as special cases, for which it is not necessary to formulate any general policy. As regards personal taxation, our policy should be to accede to all reasonable requests and only refuse to give the necessary consent in cases where the tax is discriminatory against British subjects or British trade.

12. In cases of personal taxation (for whose enforcement King's Regula-

(1) Article 64 refers to professional taxes, but the consent of the Diplomatic Corps is required for their application to the nationals of the other Powers.

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tions are required) the necessary King's Regulations should be made (*a*) where the tax is within the Commercial Convention or the treaty and convention exceptions or (*b*) where, though outside, we have given our agreement to its levy in accordance with the preceding paragraph.

13. In the case of export and import duties which are within the treaty rights or have been expressly assented to by His Majesty's Government, though for the reasons given in paragraph 10 above a King's Regulation may not be essential, it will be generally preferable that it should be made, especially if the decrees, creating the duties, impose penalties over and above the detention of the goods.

14. Article 2 of the Convention of Commerce and Navigation of 1856 forbids all monopolies or prohibitions on imported goods, except tobacco, pipes of all kinds used for smoking, opium, sulphur, powder, saltpetre, lead, arms of all kinds and ammunition of war; and further all monopolies of agricultural produce, or of any other article whatsoever in the dominions of the Sultan, except leeches, bark, tobacco and other herbs used for smoking in pipes (see also article 73 of the Act of Algeciras). A notable exception is the embargo on the import into the French Zone of wheat, flour and semolina (dahir of the 4th June, 1929), which His Majesty's Government have accepted.

15. The necessary King's Regulations should be made to enforce observance by British subjects of monopolies or prohibitions which are (*a*) sanctioned by treaty or (*b*) otherwise agreed to by His Majesty's Government.

Foreign Office, January 1, 1933.

No. 15.

Consul-General Edmonds to Sir John Simon.—(*Received March* 6.)

(No. 23.)

Sir, *Rabat, February* 27, 1933.

IN my despatch No. 1 of the 11th ultimo I reported that the Protectorate Government was about to ask for the consent of the signatory Powers of the Act of Algeciras to the establishment of a "tribunal des valeurs" or customs valuation commission. I have now the honour to inform you that this project has been dropped for the moment. At a meeting of the Conseil du Gouvernement which was held on the 24th instant to discuss the budget, the Director-General of Finance, who with the Resident-General has just returned from Paris, announced that it had been found that the scheme would entail long negotiations. From the "chef du cabinet diplomatique" I got the impression that we may expect before long a demand, if not for the abolition of all our extra-territorial privileges, at any rate for their adaptation to the circumstances of to-day. If in the course of this year the subjection of the Atlas is completed, this, together with the approaching expiry of article 4 of the Anglo-French Declaration of 1904, may afford the French Government a pretext for opening the question.

2. I am sending copies of this despatch to the Department of Overseas Trade, His Majesty's Ambassador in Paris, His Majesty's consul-general at Tangier and His Majesty's consul at Casablanca.

I have, &c.
W. S. EDMONDS.

[W 2720/175/28] No. 16.

Foreign Office to Board of Trade.

Sir, *Foreign Office, May* 9, 1933.

WITH reference to the letter from this Department of the 26th April, 1930. I am directed by Secretary Sir John Simon to transmit a copy of a despatch from His Majesty's consul-general at Rabat, in which Mr. Edmonds expresses the opinion that the subjection of the Atlas this year, or the approaching expiry of the engagement contained in article 4 of the Anglo-French Declaration of 1904 respecting Egypt and Morocco, may afford the French Government a pretext for

opening the question of British extra-territorial privileges in the French Zone of Morocco.

2. Since this despatch was written, the term for denouncing the above-mentioned engagement lapsed on the 8th April, and it will therefore be automatically extended for another five years from the 8th April, 1934. Although the French Government have not taken this opportunity to bring up again the question of extra-territorial privileges, evidence has for some time been accumulating to show that they may at any moment decide to do so.

3. In anticipation of such an eventuality, His Majesty's consul-general at Rabat was instructed to furnish memoranda regarding the value of British extra-territorial privileges in the French Zone of Morocco, and regarding the provision of safeguards in the event of their renunciation. As such renunciation would almost inevitably involve similar renunciation in the Spanish Zone of Morocco, His Majesty's consul-general at Tangier was also instructed to furnish complementary memoranda as to that zone. Copies of two printed papers containing these four memoranda are transmitted herewith.(1)

4. As the Board will remember, the French Government have, since the war, made various attempts to induce His Majesty's Government to agree to renunciation of their extra-territorial privileges in Morocco.

5. In 1922 His Majesty's Government, in informing the French Government that they took note of the latter's recognition of the termination of their protectorate over Egypt, added that His Majesty's Government remained ready, if and when the Capitulations were abolished in Egypt, to acquiesce in their abolition in the French Zone of Morocco. The French Government protested that, quite irrespective of the abandonment of French rights in Egypt, His Majesty's Government were bound to agree to the abolition of British rights in Morocco in virtue of the introduction there of the judicial system contemplated by article 9 of the Franco-German Convention of 1911, to which His Majesty's Government had acceded. To this His Majesty's Government replied that this article was not an agreement for the suppression of the Capitulations, but provided a means for dealing with claims by foreigners against the Moorish authorities during the period before the establishment of the new judicial system. Moreover, the French contention that the accession of His Majesty's Government to the convention of 1911 substituted the introduction of the new judicial system for the abolition of the French rights in Egypt as the date on which His Majesty's Government were pledged to abandon theirs in Morocco, was entirely inconsistent with the prolonged negotiations since the war for the mutual surrender of the above rights in Egypt and Morocco, which, unfortunately, had led to no result. Therefore, the secret article 2 of the Anglo-French Declaration of 1904 still held good.

6. Three years later, in 1925, the French Government proposed that His Majesty's Government should abandon their capitulatory rights in the French Zone of Morocco, in view of the internationalisation of Tangier. They were reminded, in reply, of the view expressed by His Majesty's Government in 1922 that these rights were linked by the Anglo-French Declaration of 1904 with the French rights in Egypt, and they were told that, since, owing to the abandonment of the British protectorate over Egypt, the whole scheme of the abolition of the Capitulations there had disappeared, some fresh basis of agreement must be found if the French Government wished His Majesty's Government to surrender their rights in Morocco. To this the French Government rejoined by recapitulating the grounds for demanding the immediate surrender by His Majesty's Government, without counter-concession, of their rights in Morocco, and went on to state that, if His Majesty's Government felt unable to accede to this request, they would be obliged to have recourse to arbitration. His Majesty's Government accepted this proposal, and, from that date, the French Government have never returned to the charge, thus clearly indicating that they are doubtful of their chances of success in an arbitration.

7. As at present advised, Sir John Simon is not fully convinced that it is correct to state, as maintained in 1925, that, owing to the abandonment of the British protectorate in Egypt, the whole scheme for the abolition of the Capitulations has disappeared, and that His Majesty's Government could have no responsibility for any proposals to denounce them. Although the ultimate proposals (which, incidentally, can only profitably be made after an Anglo-

(1) No. 26, Part 70, and No. 22.

Egyptian treaty has been secured) will be Egyptian proposals, they will be put forward in close co-operation with His Majesty's Government. It might then be possible for the French Government to argue, under the secret article 2 of the Anglo-French Declaration of 1904, that His Majesty's Government were pledged to abandon their rights in Morocco, and it might be difficult to resist such a claim.

8. There are, however, indications, as already stated, that the French Government may not wait to avail themselves of such an opportunity, but may revert to this question in the near future.

9. In their letter of the 25th February, 1930, the Foreign Office pointed out to the Board of Trade the advantages of the question being raised sooner rather than later, when the French would be in a stronger position, but assured the Board that no initiative would be taken by His Majesty's Government in the immediate future with the object of opening, even informally, negotiations with the French Government on the matter. Even now, Sir John Simon does not propose that the matter should be raised by His Majesty's Government, but he considers that His Majesty's Government should now be ready with a definite policy in the eventuality of the question being forced upon them. It also occurs to Sir John Simon that, in the event of commercial negotiations being opened with the French Government, the surrender of British privileges in the French Zone of Morocco might be a useful make-weight in obtaining a satisfactory treaty. In any case, he is of opinion that the extra-territorial privileges in both zones of Morocco should on no account be surrendered except in return for the most complete possible treaty to secure equal treatment in the matter of trade for British subjects, containing the strictest provisions against discrimination in every possible form, and securing in the clearest possible manner the right for British industry to obtain on equal terms contracts for work in Morocco. The treaty should, moreover, be of perpetual duration, and contain a clause for the settlement of disputes arising out of it by reference to the Permanent Court. For the guidance of the Board, I am to transmit herewith a copy of two memoranda drawn up in this Department, the one respecting taxation on British subjects in the French and Spanish Zones of Morocco, the other respecting the treaty provisions applicable to the two zones of Morocco, as well as to Tangier, in the matter of adjudications.(2)

10. As the Board are well aware, the abandonment of British Capitulations in Morocco will be sure to raise a storm of protest from the British trade interests concerned, and, in this connexion, I am to draw the attention of the Board to the apprehension of the British Merchants' Morocco Association, expressed in 1924, lest the capitulatory rights should be abandoned, and to their request for a guarantee from His Majesty's Government that they would be maintained. In reply, they were informed that the time would undoubtedly come, sooner or later, when the surrender of these rights would be expedient, and that, when that time arrived, His Majesty's Government would not fail to safeguard to the utmost extent the important British interests involved.

11. Finally, I am to suggest that, as soon as the Board have had time to consider this correspondence, there should be consultation between the Foreign Office, the Board of Trade, Dominions Office, India Office, Colonial Office and Department of Overseas Trade (to which Departments copies of this letter have been sent), in order to co-ordinate a line of policy, and that it might be desirable to instruct Mr. Edmonds to be present at this consultation.

I am, &c.
C. HOWARD SMITH.

(2) No. 18, Part 70, and No. 14.

[W 6601/3826/28] No. 17.

Consul-General Edmonds to Sir John Simon.—(Received June 7.)

(No. 66.)
Sir, *Rabat, May 30, 1933.*

WITH reference to my despatch No. 61 of the 22nd instant, I have the honour to transmit herewith a copy of a despatch from His Majesty's vice-consul at Fez reporting on certain propaganda leaflets which were distributed recently on the anniversary of the promulgation of the Berber dahir, as it is called.

2. I share Mr. King's misgivings about the future development of the internal situation. It does not seem to me that, since I reported two years ago (my despatch No. 54 of the 28th April, 1931), the French Administration has managed to do anything towards escaping from the cleft stick in which it is held. On the contrary, it seems to be more firmly caught. Far from taking any measures towards the emancipation of the natives, it has been repressing the agitators rather more severely than before. I have consequently somewhat less hope than I had even a year ago (my despatch No. 73 of the 24th May, 1932) that Moorish nationalism might come into its own without violence and in understanding with the French. Repression is no solution of the problem. However much the French may restrict opportunities of education and travel, Morocco is now so Europeanised and in such close contact with Europe that it is only a matter of time before modern ideas and political aspirations will spread. Sooner or later the Moors will demand a real hand in the government of their country. For the moment, in spite of much lip-service to the idea of association, the French show no sign of any real intention of taking the Moors into partnership.

3. There are now other factors in the situation. I have recently reported (my despatch No. 59 of the 15th instant) how Hitlerism has helped to mobilise Moslem feeling against the Jews here. It has also given the Moors the feeling that they have the moral support of at least one foreign Power in their desire to be rid of the French. Stories are current which suggest that the Germans, taking advantage of their new-found permission to enter Morocco, may be indulging in a little anti-French propaganda among the Moors, both by way of casual suggestion and by the introduction of literature. Even if these reports are grossly exaggerated, they will have their effect on the native mind.

4. Again, the nationalists seem to be getting into closer contact with certain French politicians. The Herriot Government withdrew the embargo on the *Maghreb*, which appears in Paris and regularly pours on the Residency-General a monthly dose of vituperation made up of a little truth and a great deal of falsehood. The editor, Robert-Jean Longuet, visited Fez in the spring. He and his magazine may count for little enough in France, but to the Young Moors the knowledge that they have at least some supporters in France means a great deal.

5. Further, unless the apprehensions of the French authorities magnify the facts, the Young Moors are managing, in spite of official precautions, to keep in touch with pan-Islamic agitators abroad. It is in this connexion that the Berber dahir has proved such a mistake. The agitators decry it as an attempt to remove the Berbers from Islam and even to Christianise them. The fact that Moslem canon law covers things both spiritual and secular enables them to make this impeachment. But, in point of fact, the Berber dahir left the Berbers' religion untouched, and merely provided that, in secular matters, their tribal law should continue to be applied. The ulema of Fez, disappointed at the prospect of being unable to extend their influence over fresh Berber tribes, as French arms should bring them within the Sultan's allegiance, cried out that Islam was in danger. Whether Marshal Lyautey, who first conceived the policy, and those who later promulgated the dahir, really entertained a hope of splitting Moors and Berbers by a religious division, is another matter.

6. I am sending a copy of this despatch, without enclosures, to His Majesty's Ambassador in Paris and His Majesty's Consul-General at Tangier.

I have, &c.
W. S. EDMONDS.

Enclosure 1 in No. 17.

Vice-Consul King to Consul-General Edmonds.

(No. 45.)
Sir, *Fez, May 24, 1933.*

I HAVE the honour to transmit to you herewith rough translations of two tracts, which were circulated in Fez-Medina on the 16th May, the anniversary of the Berber dahir.

2. A bound paper pamphlet was circulated at the same time containing much the same matter, but adding that the Moslem Conference, held at Jerusalem and comprising the most important of Moslems, denounced the French for the

Berber dahir, and that all the Moslems of the world approved the action of the Moors and are opposed to the French policy in Morocco.

3. It is noteworthy that one of these tracts refers for the first time to Moorish independence. Hitherto, such literature has been a mass of vague fulminations against the French protector, but it now appears to me that the contemptuous suppression by the authorities of the movement led by the Young Fassis is forcing them to think less loosely and is driving them slowly to extreme ideas.

4. I have also observed that the local French officials are by no means so certain as they were a few years ago of the ultimate success of French policy in Morocco. They are beginning to realise that the passage is likely to be rough, and that they may have to put in to some port other than the one advertised. They had hoped, by limiting education, both in quantity and quality, to avoid what they considered to be our great mistake in India, the broadcasting of higher education before there were sufficient posts to absorb its products. They now see, however, that the young students of the Mussulman college, who have been taught French and French history and nothing much else, have not necessarily imbibed a love of France, and that those who can afford it are beginning to go abroad, with even less favourable results, for instruction which is denied them in their own country.

I have, &c.
A. H. KING.

Enclosure 2 in No. 17,

Tracts distributed on May 16, *Anniversary of Berber Dahir.*

(1.)

(Translation.)

CALL TO THE MOROCCAN PEOPLE!

THIS Tuesday of the 16th May your city is lost. A great misfortune has befallen your city such as never happened since the creation of heaven and earth. It is now three years since the promulgation of the bad Berber dahir by the French authorities, which would divide us into two parties and different religions. This dahir cancels Moslem law for many Moslems who are your brothers.

You are invited to keep this day as a day of mourning, and show that you are living, you are Moslems, and ready to defend your religion, and that you will oppose the Berber dahir and the policy which would make Moslems become Christians.

How can you live, seeing before your eyes the Moslem religion, which was great, now brought low, your country possessed by foreigners, your cities taken, and your rights lost? The people who have done this now wish to destroy our religion from the world and take full possession of our country.

You are asked, then, to make Tuesday a day of fasting, and at night, in the mosques, call upon God for help, to save you, your religion, your goods and your families. And be sure that, if you do so, for God will help those who ask, presently you will see God's miracles.

(2.)

CALL TO MOSLEMS!

This is to remind you that very soon will be the 16th May, the anniversary of the publication of the bad Berber dahir, made by the French, who have filled our country, and the purpose of which is to destroy your religion.

The third anniversary has come. You must show you protest against this evil by fasting and by calling upon God.

At the dawn prayer call God to punish the people who are seeking to divide us, and ask His help to send from our country the people who have made this dahir.

Give alms, for you know that charity saves one from misfortune.

Do not forget those who have been beaten, shed their blood for their religion, and banished from their homes, and have accepted all this with resignation for the sake of their faith. You should know that all Moslems of the East are watching the events in Morocco; they are helping you. Be brave, because we all say together: "There is no god but God, and Mahomet is the Prophet of God!"

You know that all great Moslems have approved what we do. Now, if you follow our advice, you will again have your liberty, you will no longer be under French protection, but you will enjoy your independence as other nations.

[W 10066/3826/28] No. 18.

Mr. R. H. Campbell to Sir John Simon.—(*Received September* 5.)

(No. 1265.)

Sir, *Paris, September* 1, 1933.

I HAVE the honour to transmit to you herewith, in original, an interesting despatch from the military attaché to His Majesty's Embassy regarding the operations recently conducted by the French army in Morocco. It will be observed from Colonel Heywood's account that these operations have already resulted in the practically complete subjugation of the areas in the Atlas Mountains not previously under the control of the Government of Morocco, and it is now reported in the *Temps* that the last remaining Berber strongholds have been occupied, and that General Huré and his staff have returned to Rabat on the successful termination of the campaign.

2. As is usual in all questions concerning Morocco, and, indeed, the French colonies in general, the Paris press has not shown any very great interest in the conduct of this campaign, except during the short period when a heavy increase in French casualties caused a certain amount of uneasiness. Emphasis is now laid upon the fact that by this campaign the work of pacification in Morocco itself, inaugurated by Marshal Lyautey and necessarily suspended during the Great War, has been completed. It remains for this work to be carried further south beyond the borders of Morocco, but similar action in Mauritania and the north-western section of the Sahara is dependent upon close co-operation between the French authorities in Morocco and the Spanish authorities in Rio de Oro, which will doubtless require careful and protracted preparation.

I have, &c.
R. H. CAMPBELL.

Enclosure 1 in No. 18.

Colonel Heywood to Lord Tyrrell.

(No. 15.)

My Lord, *Paris, August* 28, 1933.

I HAVE the honour to forward to your Excellency a short summary of the operations which have been undertaken since the beginning of this year by the French with a view to bringing about the surrender of the remaining dissident Berber tribes.

A part of these tribes is still holding out in a last stronghold in the highest regions of the High Atlas, and have successfully withstood all attempts on the part of the French forces to subdue them.

Should the French fail to complete their task very soon, the bad weather, which normally sets in about the middle of September, will force them to stop these operations, and to embark on a fresh campaign next year.

I have, &c.
T. G. G. HEYWOOD,
Military Attaché.

Enclosure 2 in No. 18.

Report on French Military Operations in Morocco, Spring–Summer 1933.

Reference Map Haut-Atlas 1/500,000.

1. *Object of the Operations.*

TO pacify the zone of the Great Atlas which has not yet submitted and which is known as the "tâche de l'Atlas."

2. *General Situation.*

The centre of operations is an area of high mountains, the highest summits attaining 4,000 metres; the whole forming a high central plateau, from which radiate various very deep valleys.

This plateau is flanked by massifs or mountainous crests forming serious obstacles to penetration.

The remaining unpacified elements of Morocco which inhabit this region belong to the group of tribes, Aît Haddidou, Aît Moghrab, Aît Shokmano.

Contact has already been made by peaceful penetration by political officers during 1931–32.

These warlike tribes have been further reinforced by all the insurgents that have withdrawn gradually before the French advance since 1912, and by numerous brigands and pillagers.

3. *Plan of Operations.*

The plan of operations for 1933 involved two distinct phases :—

(*a*) A short period of preliminary local operations carried out by various mobile columns on the whole of the borders of the unsubdued area. This in order to enable larger forces to work in co-operation later.

(*b*) Combined operations conducted by the Groupes mobiles of Meknes, of the Confins algéro-marocains, of Marrakech and of the Tadla area.

4. *Method of Execution.*

These operations consisted in the occupation of the unsubdued regions by regular and irregular troops. Military action has always been preceded by an intensive political preparation of long duration, in an endeavour to create a state of mind favourable to submission and to avoid the use of force as much as possible.

The political and administrative organisation of the newly-subdued areas, and in particular the establishment of a medical service, has immediately followed the advance of the French troops.

(a) *Preliminary Local Operations.*

(i) The occupation on the 8th April of Tizi Tagountza by the troops of the "Confins" column, giving access to the plateau of Tana towards Taghia.

(ii) The occupation on the 17th May of the Aît Isha country lying to the south of the Tilloughit by the Tadla column.

(iii) From March to June the Marrakech column worked its way up the Dades (Imghas) valley.

(iv) The occupation on the 1st June of the Taribant valley by the "Confins" column, thus linking up the important centre of Outaîbat with the Ziz valley.

All these advances were followed by the construction of tracks fit for light cars in order to enable the necessary supplies and material to be brought up for the general operations that were to follow.

(b) *Main Operations.*

The tactical method employed has been to make use of the converging advance of the mobile column onto the most populated areas. As a rule these advances have been carried out on broad fronts by surprise and by night.

The main operations started on the 7th July and can be divided into various stages as follows :—

(i) *July* 7–16.—Occupation of the entire Assif Melloul plateau by the "Confins," Meknes and Tadla columns.

(ii) *July* 21–27.—The Confins and Marrakech columns successfully effected their junction in the Upper Imghas valley, thus cutting the unsubdued area into two parts. The pacification of the western part was then entrusted to the Tadla column, whilst it was hoped to effect that of the eastern by a combined operation of the "Confins," Meknes, Marrakech columns.

(iii) *Since August* 4.—(*a*) Advance of the three columns on the Djebel Amstrous and the Djebel Kerdous and rounding-up of the last insurgents in the Djebel Badou.

(*b*) Advance of the Tadla column towards Koucer, where the insurgents of the western parts have sought refuge.

(The general direction and stages of the advance of the various columns are indicated on the attached map.(1))

5. *Present Situation.*

By the end of August after a two months' campaign carried out at an average height of 2,000 metres in very broken country, which made the advance of the troops extremely difficult, about 10,000 insurgents have made their act of submission.

A few hundred still remain on the heights of Koucer and Badou, whose submission is reputed by the French to be imminent.

Should the French fail, however, to obtain the surrender of these remaining elements by the middle of September, operations will have to be abandoned for this year owing to the break in the weather conditions, and a new campaign will have to take place next year.

It seems that this thought has rather haunted the minds of the French authorities, who have urged upon the military leaders in Morocco the necessity to clear up this area by the end of this year's campaigning season, so as to avoid the expense of a new campaign.

This desire has led to some of the operations being rushed and attempts being made to force the pace, with the result that heavier casualties were incurred by the French than should have been the case, particularly in the operations since the 4th August, during desperate attempts by the insurgents to break through the net which is being drawn ever closer around them.

(1) Not reproduced.

[W 11757/3826/28] No. 19.

Lord Tyrrell to Sir John Simon.—(*Received October* 17.)

(No. 1458.)

HIS Majesty's representative at Paris presents his compliments to the Secretary of State for Foreign Affairs, and has the honour to transmit to him copy of despatch No. 858 (3/B) from His Majesty's military attaché, dated the 9th October, respecting recent operations in Morocco.

Paris, October 13, 1933.

Enclosure 1 in No. 19.

Colonel Heywood to Lord Tyrrell.

(No. 858 (3/B))

My Lord, *Paris, October* 9, 1933.

WITH reference to my despatch No. 794 (3/B) of the 25th August, 1933, I have the honour to submit to your Excellency a further short report on recent operations in Morocco.

2. This report contains slightly more detailed information concerning the operations which took place in August, already mentioned in my first report, and deals with the operations which brought this year's campaign to a successful close.

3. The campaign was undertaken by the French with the object of effecting the pacification of the High Atlas. In this they have succeeded, and the only part of Morocco which now does not pay allegiance to the Sultan is a small area in south-west Morocco. I understand that the French military authorities in Morocco anticipate that the pacification of this area will be undertaken next year, and that operations will start in February.

I have, &c.
T. G. G. HEYWOOD,
Military Attaché.

Enclosure 2 in No. 19.

Report on Military Operations in Morocco, August–September 1933.

THE 1933 operations in the Great Atlas were brought to a successful close by the surrender at the end of August and beginning of September of the last unsubdued parties of tribesmen who had taken refuge in the Baddou and Koucer mountains.

2. It will be recollected that after the Confins and Marrakech mobile columns had effected their junction in the Upper Imdghas Valley at the end of July, the unsubdued area was cut into two parts, the pacification of the eastern part was then entrusted to the combined efforts of the Confins, Meknès and Marrakech mobile columns, whilst that of the western area was entrusted to the Tadla mobile column.

Operations in the Eastern Area, August 3–26.

3. The pacification of the eastern area gave rise to operations which lasted from the 3rd to 26th August. They were carried out by the Meknès, Marrakech and Confins columns under the orders of the G.O.C.-in-chief, and consisted in converging advances by these three columns which completely surrounded the tribesmen who were still holding out in the Djebel Baddou. These tribesmen finally surrendered after a siege which lasted about two weeks.

4. The general course of these operations was as follows :—

(*a*) On the 3rd August, the Meknès mobile column based on Tizi Tirerouzine, south of Agoudal, occupied the Djebel Taadart which commands the Amtrous Valley from the north.

(*b*) On the 4th, the same column captured the Amtrous fortified villages, whilst the Marrakech column occupied Tametoucht and was further able to secure a footing on the Djebel Hamdoun.

(*c*) In the meantime the Confins column, starting from Todgha, subdued the Oasis of Ifer and marched northwards towards the Djebel Kerdous.

(*d*) On the 5th August the Meknès column met with sharp opposition at Tizi Hamdoun, but helped by the progress of the Marrakech column, this resistance was overcome and the two columns were able to occupy the whole of the Djebel Hamdoun. A violent counter-attack in the afternoon of the 6th at Tizi Hamdoun was beaten off successfully.

(*e*) On the 7th August the Confins column started to occupy the Kerdous villages, but met with considerable resistance.

(*f*) By the evening of the 11th August the dissidents had been hemmed in with their backs to a rocky mountain and were forced to surrender in large numbers. Five thousand prisoners of all ages and both sexes were made. These included the greater part of the dissidents from the Assif Melloul area who had been driven in front of them by the various French columns for the past month. The Ait Moghrab of the Kerdous area also made their submission.

(*g*) This success only left 200 or 300 families at large, who sought refuge in the Djebel Baddou, which in its turn was rapidly surrounded (the 12th August) by detachments from the Marrakech, Meknès and Confins columns.

(*h*) In the meantime road-making was actively carried on. The .track Bou Malem–Semrir reached the Amtrous on the 9th August, and Assoul on the 15th, thus making possible direct communication between the valleys of the Dadès and the Ziz from Bou Malem to Rich. On the 25th August the track from Tadla to the Amtrous over the Assif Melloul plateau via Tizi Tirerouzine reached Amtrous.

(*i*) From the 12th to the 26th August a series of minor operations was carried out with the object of tightening up the investment of the Djebel Baddou. These operations caused the daily surrender of small parties of the enemy.

(*j*) On the morning of the 26th August the summit of the Djebel Baddou (Ouksersou) was occupied by a detachment of the Marrakech column. The net by now had closed so tightly round the dissidents that the last parties to hold out surrendered unconditionally that evening, thus completing the cleaning up operations in the eastern area.

5. The task of organising and equipping the area was then undertaken, and it was found possible to send back to their permanent garrisons part of the troops, some of whom had been carrying out active operations since the month of March.

Operations in the Western Area.

6. The task of subduing the tribesmen who were still holding out between the Assif Melloul and the Ahansal was entrusted to the Tadla mobile column.

7. The general course of the operations in this area was as follows :—

(*a*) A series of advances from the 9th to the 16th August brought about the occupation of the whole Ait Abdi plateau, together with the surrender of 950 families.

(*b*) The investment of the Djebel Koucer, where the last of the unsubdued elements of the Ait Isha and Ait Abdi tribes had entrenched themselves, was then undertaken from the south.

(*c*) From the north successive advances on the 22nd, 24th and 26th August resulted in the submission of all the territory lying between Tillouguit and the confluent of the Akka N'Oumzara, whilst the whole of the basin of the Ait Ouanergui was pacified and the Assif Melloul crossed.

(*d*) The heights of the Koucer were finally captured on the 6th September; this event marked the end of tribal dissidence in the Great Atlas.

Results.

8. The 1933 operations were thus brought to a close with an important success; the whole of the Atlas Massif being subdued and disarmed. From the 1st May to the 28th August, 6,300 families, *i.e.*, more than 30,000 individuals, made their submission and handed in nearly 3,000 rifles. The final cleaning up of the occupied area and the collection of arms is still being carried out as well as the organisation and equipment of this mountainous region. No information has been given out by the French War Office as to casualties incurred during the operations; they have been fairly considerable, officers suffered a high percentage of casualties, particularly amongst those who were serving with the irregular troops.

9. The only unsubdued area now remaining in Morocco is the area of the Anti-Atlas, a mountainous Massif lying between the plain of the Sous and the Drâa Valley. This country is very wild and desert-like, and only sparsely populated by small isolated tribes. I understand it is the intention of the military authorities in Morocco to start operations in this area early in February next year

10. Beyond the Drâa lies the Western Sahara, inhabited by nomadic tribes, constantly wandering between the borders of Algeria, Morocco, Mauritania and Spanish West Africa, whose pacification forms a special problem which does not merely affect Morocco.

I have, &c.
T. G. G. HEYWOOD,
Military Attaché.

Paris, October 9, 1933.

[W 33/33/28] No. 20.

Memorandum respecting the French Protectorate in Morocco.

(A)—*General.*

MOROCCO, before the French Protectorate was established in 1912, was a turbulent, semi-barbarous country, little known to Europeans. Since 1912 it has undergone an astonishing change. Law and order have been established almost throughout the country, communications have been opened up, and foundations have been laid for an economic exploitation of the country.

The process of development is still far from complete, and its present stage is instinct with questions which cry for an answer. What has the French Administration achieved up to date? Are its methods likely to be ultimately successful? What are the economic possibilities of the country, and are they sufficient to make the protectorate "pay"?

A four weeks' visit is an insufficient basis on which to frame serious answers to these questions, but the following impressions may be of more interest than a report which attempted to evade the obvious issues. Though the conclusions suggested should not be taken as anything but guesswork, they are founded, at any rate to a large extent, on opinions expressed by people better qualified than myself (in particular, by His Majesty's consular officers).

Morocco is a thinly populated country of some 5 million inhabitants, but the Moors have always been regarded as a warlike race, and neither Spain nor Portugal at the height of their power ever had much success in any military operations undertaken in the country. (We ourselves held Tangier for some twenty years in the 17th century, but abandoned it as too hot to hold.) It is a striking fact that a territory so easily accessible from Europe should have remained independent until the present century.

The notable achievement of the French in Morocco is that in twenty years they have more or less completely pacified the country and established a high degree of security from disorder for life and property. Since the operations in the Atlas, which ended last summer, the only area remaining outside French control is in the extreme south on the borders of Mauretania, and the Spanish colony (not yet effectively occupied) of the Rio de Oro. The French military authorities state that they intend to open a campaign in this region during the present winter. Apart from the common frontier with the Rio de Oro, the area in question contains the small Enclave of Ifni, a territory on the coast which was ceded to Spain by the Sultan some seventy years ago, but over which the Spaniards have never made any serious effort to assert their sovereignty. Spanish officials attempted to land on the coast last summer, but were forcibly repelled by the inhabitants. I was unable to find out if the French have any definite understanding with the Spanish authorities regarding the prospective operations in the neighbourhood of their common frontiers, but they do not appear to anticipate any trouble, and it seems likely that there is a tacit understanding, and that the Spaniards will not raise unnecessary objections to any minor violations by the French troops of boundaries which have never been accurately defined. The French profess to expect that the pacification of these frontier districts will be completed in about three months. However that may be, there is no reason to doubt but that the operations will eventually be as successful as those recently concluded in the Atlas. As regards these, there is a general agreement that the newly occupied districts will soon be as safe as the rest of the Atlas, where, in spite of the fact that the tribes were until quite recently in arms against the French, foreigners can now travel freely anywhere without fear of molestation. The French maintain (and it seems to be a fact) that even the hardiest of the Moorish tribes very soon lose their warlike habits under a peaceful administration. They say that this is true even of the inhabitants of the Rif, the northern district of Morocco which was the seat of the dangerous rebellion of 1924 and 1925 that for a time taxed the resources of both France and Spain, and they believe that the softening process is going on in the Spanish as well as in the French Zone. The Spanish have recently reduced their forces in Morocco, but the French do not admit to any anxiety on this score, although there is no doubt

that they watch very closely all that goes on in the Spanish Zone, of which they probably hope one day to secure the reversion.

On the whole it may be said that "the period of conquest" is over in Morocco, at least as far as the French are concerned, and that the Moors are no longer a source of danger in the strictly military sense. If there is to be any further challenge to French domination, it is not likely to come from the spontaneous insurrection of fighting tribes.

The work of pacification has been consolidated by the opening of communications. North and west of the Atlas a chain of good roads covers the country. There is also a railway system connecting the principal towns, which, since the recent completion of the line from Fez to Udjda, is linked up with the railways of Algeria and Tunisia. The railways are, however, not much used by passengers, as it is both cheaper and quicker to travel by bus even where railway lines exist. They carry heavy freight, but are chiefly strategic in purpose.

Public order and good communications are, in sum, the benefits conferred by the French Protectorate on Morocco. Apart from these it does not seem that the life of the natives has been much changed. This is the result of deliberate policy on the part of the French, who, with the example before them of the effects of modernisation in such countries as India and Egypt, have set themselves to keep the Moors in a state of primitive innocence. With this object they have invented a system of administration on dualist lines, which provides, in effect, separate forms of government for Europeans and natives, and while on the European side, it encourages the development of the country on the most modern lines, firmly discourages any modernisation of the native institutions.

The system is cloaked to some extent by the theoretical status of the protectorate. As far as any real independence goes, Morocco might as well be a French colony, but the Sultan is still in theory the ruler of his people, and the French have ostensibly refrained from interfering in purely native affairs. The main branches of the Administration, with the exception of those dealing with native justice and religious matters, are in the hands of departments of State staffed entirely by Frenchmen under French directeurs, who are responsible to the Resident-General. In its dealings with Europeans the State acts through foreign officials. The new French towns, which have sprung up at all the main centres alongside the old Moorish cities, have their French municipalities. As long as one keeps to the main roads and the modern quarters one moves in a purely French civilisation. But this has hardly touched the country Moors. The administration of native affairs and native justice remains in the hands of native Governors (kaids and pashas) nominally appointed by the Sultan (though the French authorities supervise the appointments). The law administered in the native courts is religious law; and the influence of the Mahometan religion is naturally opposed to modernism. The taxes collected are nominally those imposed by the Central Government (*i.e.*, the French controlled Finance Department), but the local Governors are said to exercise in the collection a good deal of the latitude common to oriental administrators. Offices of the French *contrôle civil* have been opened in the districts which are no longer under military administration, and the *contrôleurs* exercise a certain supervisory power (sitting, for instance, as assessors in some of the native courts), so that the depredations of the kaids are no longer so unrestrained as formerly; but still it may be said that, while the Moorish peasant can sleep in security under the French protectorate (a blessing which, rather to my surprise, he is said to appreciate), he has not been made immune from the exactions of his superiors which have always made his lot a hard one. The only change is that, whereas such exactions used to be spasmodic and arbitrary, they are now, under an ordered administration, regular and inevitable, and the Moorish temperament is, I am told, inclined to regret the old uncertainty. Moreover, in view of the financial difficulties of the country, taxation does not tend to grow any lighter. The general opinion seems to be that the present rates bear heavily on the peasants, and that this is causing a certain amount of discontent.

Nevertheless, the Moors are accustomed to submit to the depredations of their Governors as long as the latter maintain themselves with a strong hand, and the French military domination keeps the country people well in awe. Any serious disaffection is more likely to originate in the upper classes. To minimise this danger the French are restricting the spread of education among the Moors as much as possible. There are only two colleges where Moors can obtain a "higher"

education, one at Fez and one at Rabat. The Collège musulman at Fez takes, I believe, about forty students, and the curriculum is so arranged that it is almost impossible for any, except the most brilliant, to reach the standard of the *baccalauréat*, which is the key to the liberal professions. At the same time passports are now refused to Moors wishing to study at the universities of Syria and Egypt. The result is that there is so far no considerable student class in Morocco, such as exists in India, Egypt or China. But the younger generation of the better class resent the lack of opportunity for advancement, and the demand for education will inevitably grow stronger, and whether it is satisfied or not must lead to an increasing hostility to foreign domination. Although there is still nothing like an organised Nationalist party in Morocco, the germs of a Nationalist movement are beginning to appear, especially in Fez (which has always been the intellectual capital of Morocco). The movement receives some support from the Socialists in France, who have helped to start a newspaper which is published in Fez ostensibly for the European population (no Arabic press is allowed in Morocco), but is, in fact, designed to reflect the grievances of the Moors. However, the utterances of Moorish nationalism are still extremely mild, and seldom go so far as openly to attack the French protectorate as such. The Moors seem generally more apathetic than most "oppressed" peoples, and the French system of stifling national aspirations may be relatively successful for some time to come. For the time being at least there would appear to be no danger of any serious trouble in the French Zone, except possibly in the case of some striking challenge to French power or prestige in Europe. At present the French maintain an army of 60,000 or 70,000 men in Morocco, and this in the circumstances is an ample guarantee of security. If for any reason these forces had to be drastically reduced, a widespread revolt stimulated by the disaffected classes at home or even by foreign agitators is conceivable: for the majority of the Moors are still devout Moslems and their religion would provide ready fuel for an agitation against the "Frankish" rule throughout the country.

To sum up, while there is no reason to expect any disturbance to the régime of peace and order which the French have introduced in Morocco, the country is likely in one respect to be a source of military weakness to them for as long as can be foreseen. The haste with which the French military authorities have recently pressed on their occupations to complete the subjection of the country reflects, as they themselves admit, their anxiety to reduce to a minimum the number of troops immobilised there, before the effective strength of the French army begins to feel the results of the low birth rates of the war years. On the other hand, the French also recruit troops in Morocco, with whose equality they profess to be satisfied. The country is, therefore, a potential source of man-power, though whether in an emergency it would produce more than it absorbed is a matter of speculation. However that may be the French certainly regard Morocco as a strategically important part of their Empire, since it rounds off their North African possessions, and gives them access to the Atlantic. The prime importance of the completion of the railway connexion between Fez and Oran is that it makes it possible for France to maintain communications with Algeria and Tunisia through the ports on the west coast of Morocco, and thus renders her less dependent on the control of the Mediterranean.

Morocco is unlikely, as shown below, ever to bring the French much economic gain. It will probably, in the long run, be a source of political troubles such as "Imperialist" Powers have experienced elsewhere. But for strategic reasons France will undoubtedly maintain herself there at all costs for as long as she can. To judge by the lines on which the protectorate has been administered hitherto, Morocco is more likely in the next decade or so to become a French colony than to attain the independence which has been achieved by Egypt and Iraq. For practical purposes, indeed, the status of Morocco is already little better than colonial, and it is probably only the existence of the treaties securing the special interests of foreign Powers in the country that has so far prevented a formal annexation by the French.

(B)—*Economic.*

From the economic point of view it seems clear that Morocco is suffering from the results of overhasty development. This is the general opinion of foreign residents other than the French, and it is difficult to see on what the French themselves base their optimism as to the future of the country. It has no

outstanding sources of natural wealth. It is, in general, insufficiently watered, mountainous in parts, with only relatively small areas of really fertile soil. Apart from the phosphate beds, which until recently provided the main source of exportable wealth, there are no proved mineral resources of any importance. The French talk vaguely of mines in the Sus (magnesium, tungsten and coal—though the latter is admitted to be of poor quality); but even if the deposits should prove to be rich, the present state of the mining industry throughout the world is hardly encouraging for the development of new fields. Even the export of phosphates has fallen off disastrously in recent years as a result of the world surplus of wheat. In the circumstances Morocco seems bound to remain an agricultural country. Her principal exports besides phosphates are cereals (wheat and barley) and such things as nuts, seeds, cork, fibre and hides; attempts are being made to develop the production of early vegetables and fruit. But since the world appears at the moment to be suffering from a glut of agricultural produce the prospects of building up a prosperous export trade in such commodities are hardly good. Nor does it seem likely that Morocco will ever be able to compete with the great producing areas of the world in the foreign market. As mentioned above, the country is not, in general, particularly fertile; and the native population, though their standard of living is low, are not remarkable like the Chinese or Japanese for industry or intelligence, while the French colonists, who have been settled throughout the richer parts of the country, are said to have proved a complete failure and to be kept alive only by continued loans and subsidies.

On the other side of the account, since the establishment of the protectorate, French money has been poured into Morocco for the development of the country. Roads, railways and ports have been built, power stations and waterworks erected, and modern towns laid out on a lavish scale with wide streets and pretentious buildings, far beyond what the economic state of the country would seem to justify. The road system may, in part, pay for itself, and the opening up of communications was in any case a necessary means to the pacification of the country. But the railways, built when the roads were already in existence, are a duplication for which only extreme optimism could find economic grounds and are actually very little used. Their construction was no doubt dictated largely by strategic reasons.

As for harbours, Casablanca has been developed into one of the largest ports on the west coast of Africa and would seem at least amply sufficient for the present and future needs of Moroccan trade. But the French have also made a new port at Kenitra (Port Lyautey) and have built extensive new jetties at Saffi (a town which, with the present slump in wheat, shows little activity, but which is to be made the terminus of a new line of railway which is being constructed to open up the phosphate beds of Ben Guerir). In addition, they now talk of developing Agadir in the south as the port of "the rich productive area of the Sus," where it is intended to grow bananas and develop mines. Various opinions are expressed as to the possibilities of mining and banana-growing in the Sus, but nothing which seems to justify the rosy prospects which are being held out.

At present there are few signs to be seen of the promised development at Agadir beyond a grandiose piece of town planning, which is on view at the estate agents' offices, the beginning of a breakwater about 100 metres long, and a large new hotel overlooking the deserted sands of the bay—for Agadir is also to be exploited as an international pleasure resort; it seems at present a singularly unattractive spot.

If the present plans are proceeded with, Agadir will be a gross example of the tendency which the French have shown to develop Morocco by means of the "boom." This method, familiar during the development of Canada and United States of America, consists in providing the adjuncts of prosperity, in the shape of railway, roads, public services and utilities on the basis of a speculative estimate of productive capacity and trusting that prosperity will follow through the power of suggestion. The world economic crisis brought home disastrously to America the unsoundness of this method, and it is hard to believe that the French are justified in persisting in it, as they appear to be doing in Morocco, in face of the present conditions of depression. Everywhere they have laid out their new towns on generous lines to provide for a rapid and extensive development of the country; they have introduced and subsidised French colonists and imported

a host of French officials; and they have built for the new European population schools and banks and offices and public buildings on a liberal scale. The productive capacity of Morocco is quite insufficient to pay for these luxuries. Her visible exports last year were valued at 685 million francs as against imports of 1,785 million francs. An adverse balance of trade is to some extent a normal feature of backward countries where a rapid development requires to be financed with borrowed capital. But a great deal of the money expended by the French in Morocco will never be productive, having gone to pay for superfluous public utilities and an expensive administration. And, as suggested above, there seems no reason to anticipate any spectacular increase in the productivity of the country. It is difficult therefore to see how Morocco will ever be able to pay off the burden of external debt which is being built up. The service of public loans already amounts to about 200 million francs a year. In addition, the capital invested in private enterprises in Morocco (most of which comes from France) is estimated at nearly 2,500 million. The French are too heavily involved to allow the country to become bankrupt. The conclusion seems to be that the country must continue to be a drain on French resources rather than a source of profit to the French investor.

At present Morocco receives an indirect subsidy through the admission into France, duty free, of quotas of wheat and other cereals to be sold at the prices fixed by the French Government for the home market. The value of this and other concessions is said by the French (with what truth I do not know) to amount to between 100 million and 200 million francs a year.

In the meantime the Moroccan authorities are looking for other means of reducing the adverse balance of trade, and a demand is being publicly expressed for a revision of the clauses in the foreign treaties fixing the Moroccan import duties at 12½ per cent. The Resident-General himself referred recently in a published speech to the necessity for increasing the duties; and it seems certain that we shall be faced shortly with a request for our consent either to an increase in the present *ad valorem* rate or, as was hinted to me by French officials in Rabat, to a tariff of specific duties.

C. N. STIRLING.

Foreign Office, December 28, 1933.

CHAPTER III.—SPANISH ZONE.

[W 569/102/28] No. 21.

Sir G. Grahame to Sir John Simon.—(*Received January* 18.)

(No. 14.)

Sir, *Madrid, January* 9, 1933.

I HAVE the honour to transmit to you herewith a translation of a decree published in the *Gazette* of the 6th instant respecting the administrative organisation of the Spanish services in the Spanish Zone of Morocco and in Tangier.

2. It was General Primo de Rivera who took these services under the control of the Presidency of the Council and the present decree seems to indicate that, since his fall, there has been a duality of control, which the President of the Council now proposes to suppress.

3. I would draw particular attention to article 5, which seems to have been drafted with the object of removing all nominees of the Dictator.

4. The meaning of the first part of the third paragraph of article 4 is not very clear, but I take it to refer to military and civil officers on special duty. The wording is much the same as that to which attention is drawn in the translation or article 5.

5. A copy of this despatch has been sent direct to His Majesty's consul-general at Tangier.

I have, &c.
GEORGE GRAHAME.

Enclosure in No. 21.

Decree respecting the Control of the Spanish Moroccan Services.

Preamble.

THE mission imposed on Spain in Morocco by virtue of the treaties, more especially the Franco-Spanish Treaty of the 27th November, 1912, must, if it is to produce the desired results in our guardianship over the Zone of our Protectorate in Morocco, be directed with unity and perseverance. To this end, it has always been held that a single department of the Ministry should handle all questions affecting Morocco, and, this function being attributed to the Presidency of the Council, it is necessary to affirm and strengthen that point of view so that the unity of control exercised by that centre may not be lessened.

For the same reason, it is expedient to issue appropriate orders to ensure that the action of Spain in Tangier, which has so many connexions with and is so similar to the rest of Morocco, shall come under the same Ministerial Department in order that its operation may not be impaired, and in order that no difference of outlook such as would lead to contradictory results may arise.

It follows that if the Presidency of the Council of Ministers is to carry out both ministerial functions with complete independence and freedom, that Department alone must be able freely to appoint and remove the personnel charged with the affairs and functions of the Spanish State in the Zone of the Protectorate and in Tangier, since the persons so chosen are necessary elements for the work in hand.

In view of these considerations, and with the agreement of the Council of Ministers and on the proposal of its President:—

I issue the following decree:

Article 1. The direction of policy and administrative intervention in the Spanish Protectorate in Morocco, allocated to Spain by virtue of the provisions of the international agreements and treaties, more especially the Franco-Spanish Agreement of the 27th November, 1912, shall be a function of the Presidency of the Council of Ministers only, which Department shall alone be competent to this end to have relations with the High Commissariat of Spain in Morocco.

Art. 2. Arising out of the provisions of the previous article, it is necessary that every manner or kind of regulation must, in order to have force in the Spanish Zone of Morocco, be covered by the necessary Khalifian order and published in the official *Gazette* of the zone. Such order shall in every case be issued on advice given to His Imperial Highness the Khalifa by the High Commissioner who has first obtained the consent of the Presidency of the Council of Ministers. In no case shall there be any power to apply in the Spanish Zone of Morocco legislation, provisions, or orders of the Ministerial Departments of Spain.

Art. 3. Officials of every class, civil or military, serving in Morocco, with salaries borne on the estimates of the Zone of the Protectorate, must be appointed by the Presidency of the Council of Ministers in such a manner as it may determine.

Art. 4. The consulate-general of Spain in Tangier, with all the functions and services with which it is charged, except those carried out in its capacity of a Consular Chancery, shall pass under the orders of the Presidency of the Council of Ministers.

The consul-general and all the other officials of the consulate shall be appointed by that Department.

The Presidency of the Council shall also freely appoint and remove officials of every kind or category who, in Tangier, carry out the special services or functions of the corps to which they belong or of the service of which they are members, and draw and receive their salaries as a charge on the estimates of the Spanish State or those of the Makhzen of the Spanish Zone, and, furthermore, all those whom Spain is entitled to appoint to carry out functions in Tangier by virtue of international treaties and agreements.

Without prejudice to the subordination of the consul-general of Spain to the Presidency of the Council of Ministers, he shall also be officially ("jerárquicamente") subordinate to the Spanish High Commissioner in Morocco, with whom he may have direct relations in such matters as may be determined.

Art. 5. All officials in the Zone of the Spanish Protectorate of Morocco who receive their salary on the estimates of the zone or on that of Tangier and have served more than nine years in the office or service which they at present hold, whether they be civil or military ("de la carrera o cuerpo") shall leave the same within twenty days of the publication of this decree.

Art. 6. The remaining services maintained by the Spanish State in Tangier shall also pass under the Presidency of the Council, with the funds depending upon the State estimates.

Art. 7. The accounts branches of the Ministerial Departments and of the Finance Office of the High Commissariat, as also the financial interventors of all the said Departments, shall be personally responsible for ensuring that in the future no salary is allotted to officials appointed to the posts mentioned in the present decree, unless the appointment has been made by the Presidency of the Council of Ministers.

Art. 8. All provisions in conflict with the present decree are hereby abrogated.

Given in Madrid, January 5, 1933.

NICETO ALCALA-ZAMORA Y TORRES.

MANUEL AZAÑA,
President of the Council of Ministers.

[W 3011/3011/28] No. 22.

Memorandum by Mr. Gardener, Acting British Consul at Tetuan, in regard to the Extra-Territorial Privileges in the Spanish Zone of Morocco.—(Communicated by His Majesty's Consul-General at Tangier, March 3, 1933; Received March 18.)

AS Mr. Watkinson stated in his memorandum of March 1930, the value and extent of the extra-territorial privileges enjoyed by British subjects and British trade in the Spanish Zone of Morocco are the same, in principle, as those enjoyed

in the French Zone. These privileges have been defined both by Sir Andrew Ryan and, more recently, by Mr. Edmonds, and as I am in complete agreement with the recommendations they make in the event of any proposal to modify the present situation, it would be superfluous to do more than indicate certain minor differences in the conditions prevailing in the two zones.

British Colony.

In the first place, the number of British subjects and protégés resident in the Spanish Zone is small. In 1932 the number of British subjects was about fifty-six, whilst the semsars numbered fifteen. For many years past the number of British subjects and semsars has remained approximately constant.

Of the British subjects, there are 2 merchants of some little importance, 3 mining engineers, 8 missionaries, 12 Indian traders, and the rest are artisans. No British bank has a branch in this zone, and the only British-owned industrial enterprise is the iron and lead mine owned by the European and North African Mines (Limited), near Melilla. This mine produced in 1932 4,000 tons of iron ore and 2,400 tons of lead. Of the semsars, practically all are engaged in trade, but the amount of business they transact with the United Kingdom has fallen off very considerably of late years.

Consular Jurisdiction.

The courts of the Spanish Zone are probably not as efficient as those of the French Zone. Here they are certainly dilatory and amenable to official pressure. Furthermore, owing to the lack of efficient lawyers, the administration of justice is even more unsatisfactory than it need be.

In view of the small number of British subjects and protégés, added to the fact that their associations and characters are unlikely to cause them to be brought into the Spanish courts as defendants or prisoners, the loss of consular jurisdiction would be of no practical importance.

Expropriation.

The local conditions in the Spanish Zone add still another reason in support of Mr. Edmonds's suggestion for new and more efficient machinery to deal with expropriation questions. As in the French Zone, it has been found impossible to induce the Spanish authorities to adopt the clumsy and antiquated procedure provided by the Act of Algeciras. The difficulty here has been accentuated by the high-handed manner in which the Spanish authorities have in the past dealt with the Moors over land questions. The consulate has, on the whole, successfully opposed the expropriation by the Spanish authorities of lands belonging to British protégés, except in those cases where the land was genuinely needed for the development of the zone. The Spanish authorities have, however, greatly resented their lack of success, and it is to be feared that they will seize any opportunity to obtain their revenge. Even in many genuine cases of expropriation the Spanish authorities have not yet paid compensation, despite the pressure exercised by this consulate.

The need for new and more efficient machinery is thus apparent. I would suggest that some sort of mixed arbitral commission should be created to give a decision on all expropriations as necessity arises, with the proviso that compensation must be paid within a definite period from the date of the commission's award. Furthermore, provision should be made for appeal against the award of the commission to some neutral court, at no great expense to the appellant.

In view of the statement made above that in many cases compensation has still to be paid, it would be desirable to make arrangements to clear up outstanding claims before renouncing our privileged position.

Taxation.

Until recently there was a tendency to make the issue of a King's Regulation contingent on the settlement of outstanding claims. This was a policy that the Spaniards thoroughly understood. It is possible that in consequence, the Spanish authorities felt somewhat chary about introducing new taxation without full consideration of its necessity. For the last year or so, His Majesty's Government's policy has been reversed. No political capital has been sought as the price of King's Regulations, which have been issued freely, except in cases of

discrimination against British goods. As an instance of such discrimination the proposal to tax soya bean oil at a higher rate than olive oil can be quoted. It is feared that in the absence of powers of veto, no national or most-favoured-nation treaty can adequately cope with such a situation.

Semsars.

I agree with the view expressed by Mr. Edmonds that the semsar and mokhalat system is of no real advantage to British trade. On account of Great Britain's loss of competitive power in late years, the semsars have done increasingly less business with the United Kingdom. In my opinion, should United Kingdom prices again become competitive, our goods would find their way back to this market without the aid of semsars.

I agree with Mr. Edmonds that ex-semsars and other protégés should be made subject to the Spanish courts and should be entitled to our good offices for life. It would be useful, however, to stipulate that all the ex-semsars and protégés (French, Spanish and Tangerine) should be justiciable by the French, Spanish, or Mixed Tribunals of Tangier, in the event of any one of them having interests in the other zones. The question of the right to issue passports to such people should also be settled. It would be preferable if they could be given British passports. Certain consulates in Tangier do, I understand, issue passports to ex-protégés.

Post Offices.

As in the French Zone, there is a good local postal service, and the service of a British post office is not necessary. The Spanish post is at times subject to the control of a censor, but no inconvenience would be caused to genuine British interests.

The Spanish authorities are jealous of the existence of the British post offices, but perhaps not to such an extent as the authorities of the French Zone.

Nationality.

As far as I am aware there are no laws governing nationality in this zone, and I presume the Spanish code is followed.

It would be useful to stipulate that the first two generations only born in Morocco should be British subjects.

British Trade.

I have been unable to find accurate statistics of the trade of the Spanish Zone before the war. British imports would seem, however, to have been some 10 per cent. of the total in 1919. Later statistics, although unreliable, would seem to show that in 1927 British imports were valued at 9½ million pesetas, or 9¼ per cent. of the total, while in 1931 they were valued at 6 million pesetas, or 7 per cent. of the total. From this it will be seen that there has been a decrease in the total value of imports (instead of the increase shown in the French Zone), and that the share of the United Kingdom has decreased to a greater extent than the total volume of trade. In the same two years Spain and France did 47·8 per cent. and 16·5 per cent., and 35·7 per cent. and 30 per cent. of the import trade. The French imports were mainly food-stuffs.

Spanish Attitude towards Capitulations.

While the French authorities are most anxious to free themselves from the capitulatory régime for economic and administrative purposes, the Spaniards regard the régime from a more personal point of view. While conscious of the economic and administrative restrictions, the Spanish official feels that his national pride is being wounded by the existence of the capitulatory régime, which he regards as an open attack on the efficiency of Spanish administration.

Conclusions.

The foregoing constitute the only differences of note between the two zones. It will be seen that the question of the extra-territorial régime is, in miniature, the same as it is in the French Zone. Generally I am in agreement with the view expressed by Mr. Edmonds that the resident British colony would be little the worse off by the renunciation of their present privileges.

The great problem is the method by which the position of British trade can be adequately safeguarded. The difficulties of doing so have been described by Mr. Edmonds, and they apply, in my opinion, with equal force to this zone. A certain very vocal section of the Spanish public has, for some time past, been complaining of the little trade return enjoyed by Spain in exchange for the large Spanish expenditure in this country. I am of the opinion that if the present régime here is renounced, the effects of economic nationalism will be felt here in the same manner as forecast by Mr. Edmonds for the French Zone.

[**W 3443/1063/28/1930**] Annex.

Mr. Gurney to Mr. A. Henderson.

(No. 57.)

Sir, *Tangier, March* 27, 1930.

WITH your despatch No. 15 of the 16th January last I had the honour to receive a copy of a despatch addressed to His Majesty's consul-general at Rabat in regard to the question of the possible surrender of the Capitulations in the French Zone of Morocco. I forwarded a copy of that despatch to His Majesty's consul at Tetuan, pointing out that in the event of negotiations being initiated on this subject, the question would no doubt also arise of the abrogation of the Capitulations in the Spanish Zone, and I suggested that he should communicate to me any views which he might have to express as to the safeguards which might be demanded in such a contingency. I have the honour to transmit herewith a copy of a despatch which I have now received from Mr. Watkinson on the subject.

2. It will be seen that his observations have been formulated after a discussion with Sir Andrew Ryan. The latter has dealt very comprehensively with the whole question in his despatch No. 51 of the 19th March, of which he has been so good as to forward me a copy, and as I fully endorse the views expressed in that despatch, so far as I am concerned, I feel that it would be superfluous for me to add any further observations.

3. I would, however, point out that in paragraph 10 of his despatch Mr. Watkinson appears not to have completely appreciated the effect of the article of the draft agreement of 1919 dealing with the delay to be accorded for the settlement of outstanding cases. This article, as I understand it, provides that new cases can be brought before the consular court within sixty days of the coming into force of the agreement, and that the courts will not finally cease to function until all such cases have been disposed of.

4. I do not quite agree with the suggestion put forward by Mr. Watkinson in paragraph 13 to the effect that the good offices of His Majesty's diplomatic and consular officers should be withheld in the case of ex-semsars who have ceased to transact a certain volume of trade with Great Britain. It would seem preferable that each case should be dealt with on its merits, and that no hard-and-fast rule should be laid down in advance in regard to the commercial transactions of such persons.

5. In paragraph 14 Mr. Watkinson suggests that unlawful arrests and imprisonment and extreme acts of nationalism will have to be guarded against as far as possible. When once the principle is admitted that British nationals are to be subject to the criminal jurisdiction of the local courts, it would be difficult to place any limitation on such jurisdiction, or to provide any safeguards other than those represented by the right reserved to every State to make diplomatic representations in the event of one of its nationals being subjected to a miscarriage of justice.

6. I am forwarding copies of this despatch to His Majesty's consular officers at Rabat and Tetuan.

I have, &c.
HUGH GURNEY.

Enclosure in Annex.

Consul Watkinson to Mr. Gurney.

(No. 54.)

Sir, *Tetuan, March* 15, 1930.

WITH reference to your despatch No. 19 of the 31st January last, relative to the possible eventual abrogation of British Capitulations in the French Zone of Morocco, I have the honour to report on certain aspects of the question as affecting the Spanish Zone. As you are aware, I recently had the advantage of discussing these matters at some length with His Majesty's consul-general at Rabat.

2. Though the principles at issue are similar to those governing the relations of His Majesty's Government with the French Protectorate authorities, namely, the maintenance of the open door to British trade as secured by treaty rights and the safeguarding, if necessary and expedient, of the rights and privileges ensured by the Capitulations, British interests are of considerably less extent and importance in the Spanish Zone than in the French Protectorate.

3. The political value of the capitulatory system in this zone is an asset of importance in so far as settlement of claims against the authorities is concerned. It has been found again and again that, even when full agreement has been arrived at and definite promises made to settle particular claims, the only means of unlocking the Treasury door has been to set in motion the machinery of the Morocco Order in Council, with a view to applying local taxation or other regulations to British *ressortissants*. Such claims in this zone in the past have been almost exclusively those of British-protected persons and not of British subjects, and can hardly be regarded as a direct British interest. This lever will disappear with the renunciation of the Capitulations, but I venture to submit that diplomatic action, based on treaty rights, should prove effective where genuine British interests are concerned, the more so as the continual presentation of the claims of protected persons is a source of irritation to the authorities which would be removed under the new conditions.

4. Adequate safeguards as regards claims for expropriation are provided in the Act of Algeciras. The machinery for arbitration is so ponderous as to be practically unworkable. Some more satisfactory means, in the form of a Mixed Arbitral Tribunal, might possibly be devised.

5. The economic value of the Capitulations in the Spanish Zone is theoretically substantial but in practice small, so far as genuine British interests are concerned.

6. British consular jurisdiction during the last few years has been exercised in this zone almost solely in the settlement of private affairs of protected persons. Certain minor offences of chauffeurs and shopkeepers of British nationality have been dealt with. I am of the opinion that they would have been dealt with equally satisfactorily by the Spanish authorities, and in most cases with less expense to the accused parties. There have been no criminal cases in which a conviction has been made by the Consular Court in Tetuan.

7. There is, however, no doubt that circumstances might arise in which important cases came up for investigation by Spanish tribunals. As in the neighbouring Protectorate, these are dilatory and undoubtedly amenable to official influence which might cause them to be discriminatory. There is the added disadvantage, should the renunciation of British Capitulations in this zone lead to the submission to Spanish tribunals of cases in which British interests are involved, that there are few, if any, reliable lawyers at present in the zone. This consulate has had to deal, with small success, with a succession of mishandled cases, foredoomed to failure even were impartial justice obtainable against a Spanish defendant.

8. Article 115 (3) of the Morocco Order in Council, however, already provides for the submission by a British subject or protected person to foreign tribunals in Morocco. I was recently informed that this proviso would have to be made use of by a British protégé in Tetuan, who, by so doing, hoped to obtain an important contract for the supply of meat to the municipality. This matter was discussed by me with the Spanish consul, who made it perfectly clear that the municipality, of which he is the effective head, would under no circumstances appear as plaintiff in a consular court. As the protégé in question said that he

had no objection to engaging in writing to abide by the decision of the Spanish tribunal, I did not pursue the matter further.

9. If British subjects, and such protected persons as might continue to enjoy a privileged position in Morocco, obtain the advantage of recourse to Spanish tribunals when Moorish subjects are defendants, they will in all probability gain more than they are giving up. For the present Moorish justice in this zone depends entirely on the guidance of and confirmation by the Spanish control authorities, who are inclined to be xenophobe in outlook, partly, in the case of British interests, owing to the continuance of the Capitulations. The Spanish tribunals, on the other hand, though not incorruptible, are not subject to such control, and might possibly be less concerned with political considerations. In the matter of Nationalist tendencies, conditions are similar to-day in most non-British countries, where safeguards depend on the efficacy of commercial treaties in force.

10. In the event of the abolition of the Capitulations in the Spanish Zone, sixty days should be ample for settlement of outstanding cases, of which there are at present none. A similar period for presentation of new cases would doubtless be provided for.

11. Immunity of British *ressortissants* from the operation of local law is largely theoretical. Municipal regulations relating to sanitary or police matters are in practice applied to them, and only in cases of some flagrantly arbitrary action on the part of the authorities has this consulate of recent years sought to interfere. So far as I am aware, this is in accordance with the general attitude adopted in the French Zone in such questions. In this zone most of the minor disputes which arise are over questions affecting the private affairs of protected persons, as distinct from the British commercial interests which they represent. It would seem unnecessary to endeavour to devise safeguards in such cases in the event of the Capitulations being given up in the Spanish Zone.

12. The continuance of the protection system is, in my opinion, of practically no value whatever in this zone. I refer, of course, to the granting of protection to semsars and not to consular protégés, whose loyalty is presumably stimulated in some degree by real or imagined privileges. Of the semsars in Tetuan, there is not one whose principal business consists in the sale of British goods. In Larache and Alcazar certain British protégés represent important British trade interests. There is every reason to suppose that they would continue to represent them if deprived of British protection, as they did before obtaining it. I know of no instance in which consular assistance has been invoked recently by such protégés in respect of their legitimate trade with the United Kingdom. On the other hand, representatives of His Majesty's Government are asked to interfere in matters connected with the Vacuum Oil Company, General Motors (Limited), American flour consignments, and textiles of varied origin, or in disputes concerning flocks, crops and personal possessions.

13. To encourage the continuance of existing British trade in the hands of British semsars and to safeguard the interests of those who for many years have enjoyed British protection, there should be little difficulty in drawing up lists of persons, who for the remainder of their lives would be subject to the jurisdiction of Spanish tribunals in this zone or of French tribunals or the Mixed Tribunal in the neighbouring zones. These persons would be entitled to the good offices of His Majesty's diplomatic and consular officers. I am of the opinion that such good offices should be withheld in the case of ex-semsars who have ceased to transact a certain volume of trade with Great Britain or of ex-consular employees who have ceased to merit special consideration. The lists should be confined to heads of families, as in the case of Tangier ex-semsars, under article 16 of the Madrid Convention They should be in one comprehensive list for all Morocco, incorporating the present Tangier list, on the basis of a previous ten years of British protection.

14. The future of British subjects in Morocco would possibly require carefully safeguarding in the event of the Capitulations disappearing in the Spanish Zone. The nationality laws would require to be watched to prevent loss of British nationality to the sons of British fathers born in Morocco. Unlawful arrests and imprisonments and extreme acts of nationalism, such as have been seen in Turkey and Egypt, would have to be guarded against as far as possible.

15. The maintenance of the British postal services in the Spanish Zone of Morocco, as they now exist, appears to me to be quite unessential. Their equip-

ment is ludicrous compared with the up-to-date Spanish post offices. For local correspondence with Tangier some British subjects in Tetuan and Larache prefer to use the Spanish Post Office, as delivery is then effected in Tangier, and it is believed that letters reach their destination more quickly. The parcel post service, on the other hand, is said to be dealt with more expeditiously by the British Post Office. The British Post Office in Tetuan covers expenses, alone, I believe, amongst those remaining in Morocco. This is evidence that it is made use of. Indeed, my French colleague is one of the most regular customers, as also is the Banque d'Etat du Maroc, the manager of which recently suggested that a British post-box might be placed inside the new bank buildings. The reason for this is undoubtedly the greater feeling of security inspired. In this, as in other administrative matters, it is possible that the Spanish services may improve as a better type of official is attracted to the country.

16. The disappearance of British post offices would immediately raise the question of transmission of official mails. His Majesty's Government would ensure the right to send correspondence under official seal or to make special arrangements for sending confidential matter, by such means as might be decided upon. The right to telegraph in cypher should also be safeguarded.

17. A further question for consideration is that of competitive parcel rates. Postal rates between Spanish towns and Morocco are appreciably lower than those between the United Kingdom and this country. It might be possible to obtain some compensation for the advantage enjoyed by Spain as the result of their control of Moroccan services.

18. In the event of discussions being entered upon by His Majesty's Government with the Spanish Government regarding the renunciation of British Capitulations, it is to be presumed that an endeavour would be made to end past controversies and to liquidate outstanding cases as a part of the agreement. The former have mostly arisen out of the question as to whether the Spaniards in this zone are foreigners on the same footing as others. Though there may be no difference according to treaty rights, in practice a certain measure of preference has been agreed to in return for the immense expenditure incurred in the pacification of the zone. It is most essential, however, that every effort should be made to ensure the open door to British trade, when wanted, and that the principles of existing treaties with Morocco should be admitted and recognised by Spain, whose present policy appears to be to oust the foreigner or get her full pound of flesh from him, no matter what his rights by treaty, usage, or sufferance. Even a small market is worth fighting for.

19. Amongst cases which would probably come up in a general settlement with the Spanish authorities are those of expropriation. A firm stand could be taken on this question to secure fair compensation on the merits of each case, British property owners should otherwise resume free disposal of their property. Safeguards for the future would be more difficult to devise, unless some form of mixed arbitral tribunal were to come into being.

20. The rights of British ships to engage in coasting trade must be protected, as also those of British vessels to trade between Moroccan and Spanish ports. So far as I know, these rights have never hitherto been contested by the Spanish authorities.

21. Other controversial matters, regarding which correspondence has passed between this consulate and yourself, are the creation of monopolies and the question of adjudication for public works.

22. An attempt on the part of the Spanish authorities to create a monopoly of chemical industries was reported to you during 1927. The enterprise in question never developed, and no necessity has arisen for any further report on the matter. There has been no attempt in this zone to create State or private mining monopolies similar to those in the French Protectorate.

23. The position as regards adjudications is similar to that obtaining in the French Zone. Protests have been made in the past against apparent attempts at discrimination on national grounds. Quite recently, as reported in my despatch No. 89 of the 13th September last, I had occasion to protest against the length of time allowed for submitting tenders for the supply of telegraph material. The use of "concursos" is becoming more common. This is contrary to the Act of Algeciras, as the conditions can only be complied with by non-resident firms with agents on the spot. But in these days of development and big concessionary companies it is not always possible to call for public tenders by adjudication with

long delays. Though British subjects and firms have rights in these matters, they have shown no inclination to make use of them, and some of the protests made in the past have been largely academic. The principle of non-discrimination should, however, be safeguarded as far as possble.

24. A question of immediate interest to British residents in this zone is that of the position of missionaries. In general, the Spanish authorities have agreed to the arrangement made in 1914 between the French authorities and His Majesty's Minister at Tangier, that those established before new regulations, then of recent date, were put into force, might continue their work without restraint, as also those who carried on medical or educational work gratuitously, while medical missionaries arriving in the country subsequently must be provided with diplomas, but would be allowed to act as "nurses" under the supervision of a doctor.

25. A young lady has recently come to Tetuan to assist in the medical and dental dispensary here connected with the North African Mission. She is possessed of no qualifications. I have not as yet received any complaint or comment from the local authorities; moreover, she is not yet actually working in the dispensary. Two missionaries also arrived in Arzila recently, where I understand that they for some time carried on educational work without any interference from the authorities.

26. Every effort should be made to secure continuation of the present understanding, in order to prevent abrupt liquidation of the missions. Their right to settle and work must be safeguarded. But it appears reasonable if the Spanish authorities insist that local regulations must be complied with as regards medical and educational work.

27. Questions for which it is more difficult to devise any form of safeguard, in view of the present vague situation as regards them, are the exclusion of persons other than Spaniards from agricultural work as colonists, and the passive interference with the acquisition of property by foreigners, either by pressure exercised on owners to transfer to particular persons, or by delays in the accomplishment of formalities regarding immatriculation of property, or through the influence sometimes brought to bear on natives not to have any dealings at all with foreigners. It is equally difficult to find a remedy for other arbitrary acts of the present Administration arising from the powers given, or allowed, to administrative bodies to impose penalties, sometimes excessive. Every effort should be made to find a formula for curbing the zeal of Spanish officials in these directions, if weapons of negotiation should be placed in the hands of His Majesty's Government.

I have, &c.
A. E. WATKINSON.

[W 12999/102/28] No. 23.

Sir G. Grahame to Sir John Simon.—(*Received November* 15.)

(No. 511.)

Sir, *Madrid, November* 10, 1933.

WITH reference to my despatch No. 14 of the 9th January last, I have the honour to inform you that the decree, of which a translation was enclosed therein respecting the administrative organisation of the Spanish services in Morocco, has by a further decree dated the 18th October now been amended as follows:—

1. The following sentence has been added to paragraph 2 of article 4:—

"In the same way those officials whose nomination is allotted to Spain under the terms of those treaties and agreements shall be appointed through the Presidency of the Council of Ministers."

2. The fifth paragraph of article 4 is deleted.
3. The following new paragraph is added to the same article:—

"The Spanish consul-general in Tangier shall be *ex officio* inspector of all Spanish services in the Zone of Tangier."

4. Article 5 is omitted, presumably as being of a temporary nature, and articles 6, 7, 8 become articles 5, 6 and 7 respectively.

The only important variation would seem to be that affecting the status of the Spanish consul-general in Tangier. Under the original decree, this official was subordinated to the High Commissioner of the Spanish Zone as well as to the Presidency of the Council; he now becomes answerable to the latter alone and is placed in full control of Spanish affairs in the Zone of Tangier.

I have, &c.

GEORGE GRAHAME.

[W 13743/12993/28] No. 24.

Consul Monck-Mason to Sir John Simon.—(*Received December* 1.)

(No. 39.)

Sir, *Tetuan, November* 24, 1933.

I HAVE the honour to report that the President of the Spanish Republic paid a visit to the Spanish Zone of Morocco which lasted from the 31st October until the 4th November. In the presidential suite were: Señor Iranzo, Minister of War; General Gómez Trillo; Señor Sánchez Guerra; Señor Alvarez Buylla, Director of Morocco and Colonies; and the party was accompanied throughout the visit by a large number of newspaper reporters from Madrid and some from the French Zone of Morocco. The presidential escort of forty had arrived some days previously.

2. On the 31st October Señor Alcala Zamora left Algeciras by the Spanish gunboat *Dato*, lunching on board. He was given a salute by the guns of Gibraltar when crossing the Straits. After reviewing troops at Ceuta, he proceeded to Dar Riffien, headquarters of the Spanish Legion, where he witnessed a march past and partook of refreshment. The hospitality of the Legion is well known, and the President did not arrive at Tetuan until 5 P.M. At the entrance of the "Ensanche" or new quarter of the town, where he was met officially by the municipal council, the Pasha of Tetuan, the Spanish consul, his Excellency left his car, and advanced on foot with his suite through the decorated and gaily illuminated streets towards the High Commission. Here he was ushered into the special suite of apartments reserved for distinguished visitors which is attached to the Residency. From the balcony of the latter he watched a march past of native and Spanish troops, headed by a procession of the native guilds bearing standards and playing barbarous music.

3. The square was thronged, and applause was not lacking as the President entered the town, but it would not be true to say that he was greeted with tumultuous signs of enthusiasm.

4. At 7 P.M. of the same evening a reception took place at the Residency, to which the consular corps was invited. The Khalifa made a speech of welcome to Señor Zamora, to which the latter replied in terms which elicited applause from several Moorish notables.

5. The President of the Republic said that he was glad of the occasion to visit "the head of a friendly State," and appreciated the homage of cordiality and respect paid to "a simple traveller like himself, who had not wished to appear invested with pomp and the attributes of greatness." His Excellency went on to declare that he liked being received "as a humble individual, a friend, almost as a brother," though the Khalifa's people had seen in himself "the man who understands and admires your race, who feels himself a blood brother, sharing in your origin ('que se siente incluso hermano de sangre en el origen de vosotros')." Here loud "Hear-hear's" from many Moors were given. The President spoke of his student days at Granada, and then of Moorish culture as seen there and at Cordova, alluded to the corelated civilisations of Christian, Moor and Jew, "which have marched together in the past and should harmonise in the present." He said that Spanish culture could, in the nature of things, offer more to Moors than any other, while conversely Moorish culture had much to offer to Spain.

6. This last sentiment was given no prominence in the Spanish press, though it is evidently the expression of a definite policy. It may be felt by Republican Spain that it is more economical to win the Moors by kindness than by a show of force, and that it pays to make them partners and not subordinates. This attitude would explain why the Spanish authorities in this zone take no really effective measures against the nationalist propaganda, preferring to let France "hold the baby." It is of a piece with recent Spanish propaganda in Syria (a Spanish-Arabic weekly paper was brought out at Beirut last year) and the claim of Spain, which I have seen expressed in an official annual of the Spanish Zone, to the large number of "Andalusian" Moors inhabiting Fez, as morally Spanish Moors. A writer in the same annual hopes to see Tetuan become a town of 200,000 inhabitants. I cannot help expressing my conviction that the present Spanish policy of treating the Moors as their equals is mistaken and may be dangerous. Among the Moors there is little love for the Spaniards, and only as much respect as they are forced to give. The military know this, and regret the democratic attitude of the President.

7. On the 1st November the President visited the admirable School of Native Arts and Crafts, where he stayed for two hours. He proposed the organisation next spring of an educative journey for men and women teachers in the school, as well as of chosen apprentices, to give these the opportunity of studying at first hand the arts of France, carpet making in Madrid, and the monuments of Toledo, Cordova, Seville and Granada.

8. At midday on the 1st an official military review took place, at which were present, beside the President and his suite, the consular corps, &c., the French official deputation which arrived the same morning from Rabat to greet the Spanish President on behalf of the French Resident. I believe the visit had no political significance.

9. At the "vino de honor" offered by the Regulares at their quarters on the Kasbah in the late afternoon, to which Señor Zamora came after seeing the Civil Hospital and the military aviation ground, General Gómez Morato, commanding the Spanish troops in Morocco, made a vibrant speech, the principal object of which was to insist upon the loyalty of himself and the army in Africa to the President of the Republic and the régime. The sentiment was repeated at a dinner offered to the military members of the presidential suite.

10. On the 1st November the President found time to visit the municipality, an exhibition of paintings of Moorish subjects by the Catalan artist, Viladrich, and the Banque d'Etat du Maroc; and he dined with the Khalifa.

11. On the 2nd November his Excellency went by car to Larache, Alcazar and Arcila, a stop being made at Dar Xaui, an important military post. The vice-consul at Larache reports that the passage of the President was not marked by signs of great enthusiasm.

12. It had been planned for the 3rd that the President, jointly with the Khalifa, should open the newly-built section of the Tetuan-Melilla road at Llano Amarillo, at the foot of Ketama, but it was judged wiser to proceed no further than Bab Berrete, 45 kilom. on the other side of Bab Taza, where the road was formally opened. The party also visited the works at Wad Lau, where is situated the waterfall which is to supply electric light and power to Spanish Morocco, the Tangier Zone, and Ceuta. The opening of a large section of the Tetuan–Melilla road is hailed universally as a sign of the determination of the authorities to open up the country from end to end. On the 4th November the President and his party left for Ceuta and Algeciras.

13. From one point of view the visit of the President of the Spanish Republic to Morocco may be considered to have been a success. It was certainly a triumph for the High Commissioner to have the head of the State in Morocco, both for electioneering purposes and as a practical vindication of his own ambitious policy of progress in the zone. It has been repeated to me often in private conversation with Spanish officials that the Government at Madrid knows little and cares less about the Protectorate (a Spanish airman said that the President had asked whether the air arm at Ceuta was under the navy or the army), and the presence in the zone of the President of the Republic should serve to strengthen the arm of the High Commissioner, by attracting public interest to the possibilities of the Protectorate, commercial and political. It is whispered that Señor Moles, who is a Catalan industrial, is himself financially interested in the zone, and especially in the Compañía Agricola del Lukkus, at Larache.

The President, during three and a half strenuous days, saw everything worth seeing, always under the guidance of Señor Moles and accompanied occasionally by the Kalifa.

14. The head of the Spanish State neglected no opportunity of making his personality and the sincerity of his feelings known by the spoken work, and he is said to have made no less than thirty-two speeches during his short stay in Morocco—a display of eloquence criticised by some as being unworthy of such an exalted personality. It is interesting to note that his Excellency received the authorities at the Residence with the Bishop of Gallipoli standing on his left hand. He attended Mass at the Franciscan church here without any pomp or ceremony, and displayed an unusual tolerance by going arm-in-arm with the Rabbi into the synagogue; it need hardly be said that for this latter gesture also he has been sharply criticised, by Spaniards as well as by Moors. The simplicity of his bearing, as the first President of a Republic, was perhaps overdone. There is nothing in the history of the relations between Spaniard and Moor to warrant the entry on foot of the head of the protecting Power into the capital of the Protectorate, and I do not think that humility of this democratic sort makes a good impression upon Moors.

15. The Moors would not have gathered in such numbers everywhere to honour the President had pressure not been brought upon them to do so (the tribesmen who assembled made their journeys at their own expense); Moorish ladies in Tetuan could not be coerced, and a picturesque show of feminine figures clad in white jellabas was provided by drawing upon a less reputable section of the community.

16. The Madrid *Heraldo de Madrid*, in its issue of the 2nd instant, says that "the culminating impression produced by the President's journey is that peace reigns in Morocco." It is probably right in saying that from the President's visit dates the "second stage" in the development of the Protectorate. Words from the article in the Madrid paper may be quoted as showing the tendency towards constructive action in Morocco. "The Protectorate is not progressing much, it is true, on the road of realisation, and above all, the pernicious transitoriness of our directing elements—almost always in the tow of political parties—have made it impossible to follow the straight, co-ordinated, and uniform line, that should have been inflexibly drawn the moment that hostilities ceased. Excellent material," says the writer—this is an exaggeration—but "it is a question of continuity and assiduity. Morocco is not a fancy, a mirage. Morocco will be, in the last resort, what Spain makes it."

17. The President of the Republic on his return to Madrid, expressed to His Majesty's Ambassador at Madrid personally "sincere gratitude for the courtesies shown to him on his recent journey to Spanish Morocco on the part of British authorities at Gibraltar and in the Spanish Zone. The "courtesy" shown to his Excellency by a British authority in the Spanish Zone was purely verbal. At the review of troops on the 1st November I expressed to the head of the Diplomatic Cabinet a desire to make the personal acquaintance (less formal than the stiff bow to his Excellency on the previous evening) of Señor Alcala Zamora. He transmitted my request to the latter, with the result that the members of the consular corps were presented, and shook hands with Señor Zamora. A little conversation followed, in the course of which the President spoke warmly of the kindness he had been shown by the British authorities of Gibraltar. At the reception at the Kasbah on the same afternoon I again had the occasion of exchanging a few words with his Excellency. None of my colleagues spoke to the President.

18. Copy of this despatch has been sent to His Majesty's Ambassador at Madrid and to His Majesty's consuls-general at Tangier and Rabat.

I have, &c.
A. MONCK-MASON.

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(14556)

FURTHER CORRESPONDENCE

RESPECTING

MOROCCO

PART 72

1934

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Further Correspondence respecting Morocco.

PART 72.

CHAPTER I.—TANGIER ZONE.

[W 206/196/28] No. 1.

Mr. Gye to Sir John Simon.—(*Received January* 6, 1934.)

(No. 135.)

Sir, *Tangier, December* 28, 1933.

WITH reference to your telegram No. 5 of the 20th instant, I have the honour to inform you that the Committee of Control has accepted for a further period of one year the financial aid offered to the Tangier Zone by the Governments of the neighbouring zones.

2. The details of this aid are the same as those offered last year, namely :—

(*a*) A loan of 2,600,000 fr. offered jointly by the French and Spanish Zones, free of interest, the repayment of which cannot be demanded as long as Tangier shall be endowed with a special régime in conformity with the treaties (with the addition in the French offer of the qualification that the régime is to be agreed to by the Sultan after consultation with the interested Powers).

(*b*) A free contribution of 500,000 fr. each from the French and Spanish Zones towards the cost of the Customs Administration.

(*c*) The Spanish Zone will not claim the proceeds during 1934 of the 2½ per cent. *taxe spéciale*, without, however, prejudicing the principle previously held that this revenue should accrue to the Spanish Zone.

3. The conditions governing all these contributions are the same as those agreed on last year. The only new feature to report is the emphasis laid by the Spanish Zone on the necessity for Tangier to balance the budget for 1935 without the aid of subventions.

4. I enclose copy of a letter written by the president of the Committee of Control to the Administrator on this point.(1) Letters of thanks were written simultaneously by the president to the authorities of the neighbouring zones.

I have, &c.

ERNEST F. GYE.

(1) Not printed.

[W 196/196/28] No. 2.

Mr. Gye to Sir John Simon.—(*Received January* 6, 1934.)

(No. 136.)

Sir, *Tangier, December* 28, 1933.

I HAVE the honour to inform you that the Committee of Control, at a session held this morning, approved the budget as submitted by the Legislative Assembly.

2. The budget provides for a total expenditure of 22,187,175 fr., or 107,588 fr. more than last year; while the receipts are estimated at 22,188,700 fr., including the financial aid accorded by the neighbouring zones (please see my preceding despatch).

3. The budget is practically identical with that of last year, and calls for no comment. Details will, however, be sent to you when the *Bulletin officiel* appears.

I have, &c.
ERNEST F. GYE.

[W 1451/1451/28] No. 3.

Mr. Gye to Sir John Simon.—(*Received February* 9.)

(No. 15.)

Sir, *Tangier, February* 1, 1934.

I HAVE the honour to transmit herewith my annual report on the heads of foreign missions at Tangier.

I have, &c.
ERNEST F. GYE.

Enclosure in No. 3.

Report on Heads of Missions at Tangier.

[* Reprinted from previous reports. † Reprinted with emendations or additions.]

**United States of America:* Hon. Maxwell Blake, Diplomatic Agent and consul-general.

MR. BLAKE has been here since 1915, with the exception of the period between 1922 and 1925, which he spent in Albania and Australia. Owing to the fact that the United States have not adhered to the Tangier Statute, Mr. Blake holds himself aloof from the majority of the affairs which interest his colleagues. He clings tenaciously to every letter of the Act of Algeciras, and one pictures him as holding solemn meetings of the Conseil sanitaire, of which he is now the sole member, while the rest of us are sitting on the Committee of Control.

Though somewhat difficult to deal with, both Mr. Dicken and I have found that, if tactfully approached, he is always ready to discuss matters in which he or his nationals may be affected in a reasonable manner, and it must be admitted that he has placed no unnecessary obstacles in the way of the smooth working of the statute.

He is a man of considerable artistic taste, and has shown great skill in doing up the Legation buildings in the old town, which have for him a sentimental interest, as being the first house acquired by the United States Government for the accommodation of their representatives abroad. It seems doubtful, however, whether his successor, who will probably prefer to live in a more modern quarter, will appreciate the money which has been spent upon the reconstruction of the house.

He is married to a lady of Gibraltarian origin. (Rewritten in 1931.)

†*Belgium:* Prince Reginald de Croy, consul-general, with personal rank of Minister Plenipotentiary since December 1931.

Prince Croy was counsellor of the Belgian Embassy in London for several years before coming here, and was, I believe, very popular there. He is a most agreeable colleague, and, although not brilliantly clever, has sound views on most questions. Unlike his predecessor, he is independent of French influence, and is, indeed, rather anti-French in his inclinations. He acted as president of the Committee of Control during the year following his arrival, and exercised the duties of the office with tact and discretion.

Princess Croy was a Ligne, and both she and her husband speak excellent English and are very socially inclined.

Prince Reginald and his wife, after having spent their first year in Tangier at a hotel, have succeeded in finding a home and are considerably happier. They are both very popular and in every way delightful and friendly colleagues.

Prince Reginald, having relinquished the presidency of the Committee of Control at the end of 1932, has not taken a very active part in the work of the committee since my arrival at the end of April, but he can be depended upon to back his views with vigour if he thinks the position under the treaties is being threatened.

†*France:* M. Pierre de Witasse, consul-general since December 1926, with personal rank of Minister Plenipotentiary.

M. de Witasse, who is in the French consular service and is directly attached to the Administration of the French Zone of Morocco, has spent most of his career in the Near East, having served at Cairo, Genoa, Smyrna and Alexandria. He has also been employed at the residency-general at Tunis, and before coming here had been in charge of the Oudjda District of French Morocco, where he acquired the reputation of an able administrator. He is a pleasant colleague to work with, combining as he does French wit with a good deal of common sense, and we get on very well together. He seems genuinely anxious to make the statute a success, and not to put French interests unduly in the foreground. He has a difficult colony to deal with, and though he was warmly welcomed by them on arrival, I believe that, like his predecessor, he is not now very popular with them.

He is married, and both he and his wife speak fairly good English and are devoted to golf.

He was given the rank of Minister Plenipotentiary in October 1928.

There have recently been persistent rumours that M. de Witasse will shortly be moved as French Minister to Cairo, a post which he openly covets.

†*Holland:* M. F. Gerth van Wijk, consul-general since January 1925.

M. van Wijk was previously consul at Moscow, Petrograd and Zurich. He is a sound and friendly colleague, and, though never assuming a prominent part in discussions, can be relied upon to take a reasonable and unprejudiced view of matters dealt with by the Committee of Control. He was given the Legion of Honour in 1927 on the recommendation of the French consul-general, ostensibly for his services on the Port Commission, on which he served until last year as representative of the Committee of Control.

He is married to a lady of Italian origin, and both he and his wife speak excellent English as well as several other languages.

They are pleasant and popular with everyone, but I must confess that I do not find them particularly interesting.

†*Italy:* M. Pelligrino Ghigi, consul-general, with personal rank of Minister Plenipotentiary since October 1932.

Although only in the early thirties, M. Ghigi was for seven years "chef de cabinet" to M. Grandi when Minister for Foreign Affairs, and he came here with an excellent reputation as regards both efficiency and charm of manners. He is certainly a man of distinct ability, endowed with plenty of tact, and he is likely to prove a valuable addition to the Committee of Control as well as to Tangier society.

M. Ghigi is tireless in his efforts to promote Italian interests in every possible way. He is an abundant talker and takes an enthusiastic part in the various sporting activities of the British colony.

He is very friendly to me personally, and up to a point he is always ready to work in close harmony with me.

He is not married.

†*Portugal:* M. Gastão Barjona de Freitas, consul-general since 1930.

M. Barjona came here as consul-general in 1928. He was transferred to Paris in the same capacity at the end of 1929, but returned to Tangier at the end of 1930, much to his satisfaction. He was for some time consul at Cardiff.

M. Barjona has suffered considerable ill-health during the year, but he was, none the less, able to indulge in a great deal of fussy inefficiency as president of the Cape Spartel Commission. His English is excellent, but it is often difficult to guess what he is talking about.

His American wife, who is never without a cigarette and a minute lap-dog, plays bridge.

†*Spain:* M. Jaime Montero de Madrazo, consul-general, with personal rank of Minister Plenipotentiary since December 1932.

M. Montero has served in Australia and Glasgow and comes from the Ministry of State in Madrid. He speaks English well, but his French is weak.

M. Montero has been president of the Committee of Control during the year.

His deplorable French has been a great handicap to him, and his inability to express himself often leaves his colleagues in doubt as to his meaning. A further drawback has been that M. de Witasse, with his quick and incisive wit, and speaking his own language, has had an overwhelming advantage in discussion, of which he has not been slow to avail himself.

Mme. Montero has joined her husband, accompanied by three daughters. They all speak English.

Brazil, Denmark, Finland, Norway and *Sweden* are represented by trading consuls.

[**W 3244/3244/28**] No. 4.

Mr. Gye to Sir John Simon.—(Received April 6.)

(No. 36.)

Tangier, March 28, 1934.

Sir,

I HAVE the honour to report that the present manifestations of Italian policy towards Tangier are causing a certain amount of comment locally.

2. It will be remembered that in virtue of the 1928 protocol Italy was given status in Tangier equal to that enjoyed by Great Britain. In particular, Italy was given an Assistant Administrator who, in addition to acting as judicial adviser, was to be in charge of the judicial services of the zone. Unfortunately neither at the time of the signature of the 1928 protocol, nor subsequently, has it been possible to place the Italian Assistant Administrator in charge of the judicial service, as it has been found impossible to detach those services from the organisation of the Mixed Tribunal. On the other hand, had the Italian appointed to the post been of a better type, he could have made his position much stronger than it now is. In this direction its very vagueness would have helped.

3. It is certain that Italy is dissatisfied with the present situation. In the past the Italian representative has made several attempts to get the 1928 protocol implemented. As late as about a month ago my Italian colleague approached me again with the same purpose. I then informed him that as all previous attempts had failed, I saw no advantage in bringing up the matter again, as the time for a general revision was so close.

4. The Italians are now making violent efforts to get other branches of the administration under their control. For over a year they have been trying to get the Lands Registration and Domaines Office placed under the direction of the Italian Assistant Administrator. There is naturally considerable friction between this office and the Assembly, composed as the latter body is of local land-owners and lawyers. At present the office forms part of Mr. Dicken's province, and is efficiently run. Certain sections of the Assembly hope that by transferring the office to the Italian Assistant Administrator their claims will be treated more complacently. The Italians, profiting by this feeling, have recently renewed their intrigues to get control.

5. Within the last few days, however, they have attempted to get still another section of the International Administration under their control. As reported in my despatch No. 79 of the 5th July, 1933, the Committee of Control gave a ruling that the Customs Service was to be regarded as a Tangier Service under the control of the Administrator. Up to that time, the position of the

Customs had not been regulated, although Mr. Dicken, as Director of Finance, had naturally been in close and good relationship with that service.

6. The Italians are now putting pressure on the Administrator to place the Customs under the direction of the Italian Assistant Administrator, without reference either to the Assembly or to the Committee of Control. From present indications it seems likely that the Administrator will take no such step, even though he has been threatened by Italian hostility.

7. In addition to the action described above, the Italian Assistant Administrator and the Italians in the Assembly are attempting to discredit all the other nationalities represented in the administration by criticising all the branches of the administration other than those run by Italians.

8. It would, therefore, seem that the Italian policy is to consolidate their position in Tangier prior to the revision, when they hope to obtain further advantages. Already there is talk (in Italian circles) of a future Italian Administrator in Tangier. I do not think that their policy is likely to lead to any immediate results, but I am watching the situation and will not fail to report any noteworthy developments.

I have, &c.
ERNEST F. GYE.

[**W 8268/196/28**] No. 5.

Foreign Office to Committee of Imperial Defence.

Sir, *Foreign Office, September* 21, 1934.

WITH reference to Foreign Office letter of the 14th July, I am directed by Secretary Sir John Simon to inform you that further developments have been brought to his notice since the date of that letter, affecting the international situation at Tangier.

2. In the letter from this Department of the 9th November, 1933, a proposal was put forward for the guarantee by His Majesty's Government of a portion of a loan for funding the Tangier Port loans, and it was requested that the matter might be considered urgently in view of a proposal submitted to the Legislative Assembly by the French members for the issue of a further loan for port works. According to the information available, the intention at that time of the port company (which is controlled by French interests) was to construct, with the proceeds of the loan, a traverse which would circumscribe the area of the harbour and prevent its further development. In the opinion of the British authorities at Tangier the execution of this work would have condemned the port to economic sterility, and would have removed for the future any possibility of meeting, out of the receipts of the port, the service of the port loans guaranteed by the Shereefian Government. Sir John Simon is now reliably informed that the proposal to construct a traverse has been abandoned, and, in view of the objections raised by the Treasury to the proposal regarding a funding loan to be guaranteed by the Powers, he has accordingly, with the concurrence of the Service Departments, instructed His Majesty's consul-general at Tangier not to oppose on political grounds any proposal which may be put forward by the French for a further loan to continue the port works.

3. The situation at Tangier has recently been further discussed with His Majesty's consul-general and with the British Assistant Administrator, and in the light of the opinions expressed Sir John Simon concludes that, while it is not possible to assume with certainty the absence of any further aggressive designs on the part of the French authorities, the definite policy of the French Government towards Tangier is not likely to be apparent until their attitude towards the revision of the statute of the zone is known. This is not likely to be disclosed until the end of 1935 at the earliest. Sir John Simon is satisfied, however, that there is no serious danger of the French Government being able to bring about the abolition of the international régime in the course of any negotiations for the revision of the statute, which may be undertaken in 1936 in accordance with the terms of the convention of 1924.

4. In these circumstances, Sir John Simon considers that any initiative on the part of His Majesty's Government with a view to placing the international

régime upon a stronger basis may, in the absence of unforeseen developments, be safely deferred until the time comes to consider the revision of the statute. In the meantime, His Majesty's consul-general at Tangier is being requested to submit a considered report upon the desirability of revising the statute and the nature of the proposals which His Majesty's Government might submit for its modification.

5. While, therefore, Sir John Simon considers it desirable that the Committee of Imperial Defence should take cognisance of the position with regard to Tangier, as set out in the previous correspondence, and in this letter, in view of the importance which they are understood to attach to the maintenance of the international régime, he would suggest that any action upon the Foreign Office letter under reference should be postponed until the question has been further considered in connexion with the prospects of a revision of the statute.

I am, &c.
P. LEIGH-SMITH.

[W 9604/196/28] No. 6.

Mr. Gye to Sir John Simon.—(*Received November* 2.)

(No. 135.)

Sir, *Tangier, October* 26, 1934.

I HAVE the honour to inform you that the draft budget for 1935 was presented to the Assembly yesterday.

2. In essence, the budget for 1935 is similar to that for the current year, the total of estimated receipts being 19,293,500 fr. (as against 18,588,700 fr. for 1934, including the retention of the special tax on articles sent to the Spanish Zone), while the expenditure is expected to reach 22,811,667 fr. (as against 22,187,175 fr. for 1934). The deficit this year is, therefore, 3,518,167 fr., which the Administration suggests may be met in the same way as last year, viz. :—

	Fr.
(*a*) Contribution to the costs of Customs Administration	1,000,000
(*b*) Proceeds of 2½ per cent. Special Tax remitted by Spanish Zone	100,000
(N.B.—In 1934 this item was not separately evaluated.)	
(*c*) Subsidies	2,600,000
	3,700,000

If these subventions are realised, the budget will balance, showing a credit of 181,833 fr.

3. Although it is still very early to attempt to forecast the attitude which France and Spain will adopt towards the continuance of last year's subsidies, I am of the opinion that France, at all events, will be prepared to continue single-handed, if necessary. If my supposition is correct, it seems likely that Spain, not wishing to allow France unimpeded to increase her hold on the zone, will, after considerable delay, decide to come in with France on equal terms. I would, however, request that the foregoing remarks be treated as a provisional appreciation of the situation. As the discussions and negotiations progress, the situation should become clearer, and I will not fail to keep you fully informed.

4. In regard to details of the budget, as I have already stated, the budget for 1935 follows the same lines as that for 1934. In general, the revenue shows considerable buoyancy, and, in particular, the receipts from sales and transfers of lands and from the formation of companies show considerable increases. The estimated receipt from customs duties remains steady at just under 6 million francs. In view of the continued fall in prices (at least of gold prices), this steadiness would seem to imply some increase in the bulk of the imports. The chief fall in revenue is in the item for the lottery. Last year the estimated receipt from this source amounted to 420,000 fr., whereas this year the estimate is only 150,000 fr. In point of fact, the concessionaries of the lottery have not shown

great efficiency, and at the moment there is a question of the concession being withdrawn.

5. In regard to expenditure, the total of the salaries of the employees shows a slight fall, despite the normal increments. This is due to a reduction in the number of posts filled. A considerable reduction has been shown in the cost of the Customs Service, in accordance with the scheme prepared by the Committee of Control in 1933 for a progressive reduction in the cost of the Customs personnel (Tangier No. 23 of the 30th January, 1933).

6. On the whole, the budget calls for little comment except for the question of meeting the deficit, of which I will not fail to keep you fully advised.

I have, &c.
ERNEST F. GYE.

[W 10022/196/28] No. 7.

Mr. Gye to Sir John Simon.—(*Received November* 16.)

(No. 141.)

Sir, *Tangier, November* 10, 1934.

IN the third paragraph of your despatch No. 185 of the 20th September last, you were good enough to call for the expression of my opinion as to whether it is desirable that His Majesty's Government should propose the revision of the Convention of Paris and, if so, on what lines such revision should be sought.

2. I venture to suggest that, as a preliminary to a discussion of the main question, it is essential to arrive at an exact understanding of the respective rôles to be played during revision by the signatory and adherent Powers of the Paris Convention. The interests and intentions towards Tangier of the signatory Powers, viz., United Kingdom, France, Spain and Italy, may prove so conflicting that no useful purpose could be served by His Majesty's Government giving notice of revision.

3. On the other hand, if the adhering Powers, viz., Belgium, Holland and Portugal, can now claim complete equality with the signatory Powers in negotiating a new agreement, the balance of opinion would most probably be loaded in favour of any policy of reform which His Majesty's Government would be likely to approve. As far as I can ascertain by indirect enquiries from my colleagues, all the adhering Governments hold the opinion that they are now on the same footing as the original signatory Powers, and that in consequence they have the right to give notice of revision and to take part in the subsequent negotiations.

4. From local sources, it is impossible to glean reliable information as to the policies being framed in the various capitals towards the Tangier question. In endeavouring, however, to give a brief forecast of the policy which each country is likely to assume, I must insist on the provisional nature of this forecast :—

France holds the strongest position in Tangier, and realises that, short of complete dominion, she can get nothing more. France will, therefore, be on the defensive, has no cause to give notice of revision, and will resist all attempts to whittle down her position. The greatest loss that France could suffer would be the loss of control over native affairs.

Spain sincerely considers that, in view of her history here, her large colony and proximity to the Spanish Zone, she has been badly treated. Local Spaniards would like Madrid to claim Tangier for Spain, but Madrid is unlikely to do so. The Spanish aim at any conference would probably be to displace France from her position of supremacy. Spanish policy here for some time past has been to discredit the international régime, with a view to securing a better place for herself.

Italy is convinced that she has not got her dues from the 1928 protocol. She has probably no design on Tangier. She is constantly intriguing and elbowing to secure more Italian officials, and does so in a most barefaced, nationalistic manner. She will probably not give notice unless she is in company with His Majesty's Government. Her policy in that event would probably be to secure more representation in local affairs.

Belgium and *Holland* have no political interests in Tangier, except perhaps a vague Dutch interest to secure a free passage through the Straits of Gibraltar. The Dutch know this will be considered by the Powers. The only interests of these two Powers are, therefore, economic.

Portugal considers, if I am to believe the utterances of my Portuguese colleague, that Italy has no better claim to representation in Tangier than Portugal. My colleague hints that Portugal will give notice of revision, in order to claim equality in representation with Italy. It is, however, uncertain how far Lisbon shares M. Barjona's views.

5. Assuming the equality of the seven interested Powers, it will be seen that the United Kingdom, Belgium and Holland would, in the event of revision, form a solid *bloc*. To this *bloc* Portugal would have very decided leanings, while in certain circumstances Italy would become an associated, or even an allied, Power.

6. In examining, therefore, the advisability of giving notice of revision, I venture to suggest that His Majesty's Government should form their views as to the juridical position of the adhering Powers. If, after due consideration, His Majesty's Government considers that these Powers are now on the same footing as the signatory Powers, and if such an enquiry is deemed expedient, the views of the other signatories on this point might also be ascertained. At the same time, I venture to suggest that my views on the attitude to be adopted by the Belgian, Dutch and Portuguese Governments might be verified informally.

I have, &c.

ERNEST F. GYE.

CHAPTER II.—FRENCH AND SPANISH ZONES.

[**W 1453/913/28**] No. 8.

Consul Monck-Mason to Sir John Simon.—(*Received February* 9.)

(No. 12.)

Sir, *Tetuan, January* 30, 1934.

I HAVE the honour to report that the new interest which appears to be taken in the things of Morocco, especially since the visit to the protectorate of the President of the Republic in November last, has inspired a writer in the Melilla *Telegrama del Rif* to write a series of three articles on the future of Spanish South Morocco and Spanish Sahara.

2. Spanish South Morocco is too far away and too unimportant to attract much attention, but a military scandal which happened recently in those regions has given rise to comments in some quarters. Last autumn a company (" mía ") of the Tetuan mehalla was transferred temporarily to Cabo Juby, perhaps to reinforce the garrison there. Some time after the arrival of the company, the story goes, a part thereof was sent by the Governor of Cabo Juby, acting on his own initiative, to make a surprise landing in Ifni, which, though technically administered by Spain, has hitherto not been occupied. The expedition proved a failure, and the Governor of Cabo Juby was compelled to resign his post in consequence. Meanwhile, the " mía " continued in garrison at Cabo Juby, but it appears that from a variety of causes desertions were frequent; energetic measures taken by a tactless and inefficient company commander resulted in his being shot dead by the askaris in December last. The remainder of the " mía " (fifteen, out of its original strength of about eighty), has now returned to Tetuan.

3. The writer of the articles traces in a few words the history of the Ifni and Cabo Juby enclaves. Ifni, an enclave in the French Zone of Morocco, situated between the Wadis Nun and Bu Sedra, forms a rectangle of about the same size as Grand Canary. It was ceded to Spain in 1860 by the treaty which closed the Hispano-Moroccan War, confirmed by the Franco-Spanish Agreement of 1912. Since then Spain has not even, says the writer, made " acte de présence " in the territory, in spite of the fact that Ifni, lying close to the rich mineral district of the Sus, has a seaboard of 60 kilom. on the Atlantic, and is besides a caravan provisioning centre. It is also strategically important, owing to its proximity to the Canary Islands.

4. The fact that it was surrounded by a circle of the hitherto unsubdued tribes of the anti-Atlas was an excellent reason for not occupying Ifni, but to-day the French have reached the edge of this circle, and the Spanish Government must ask itself whether it will not be wise to consolidate the Spanish position in Ifni by joining hands with France instead of letting the French act alone, with due guarantees for the integrity of Ifni.

5. The history of the settlements in the Rio de Oro is briefly traced. In 1884 Spain took possession of the Sahara coast, from Cape Bojador to Cape Blanco, establishing a fort and a fish-salting factory at Cabo Juby. In 1916 Spanish troops landed at La Agüera, in the Peninsula of Cape Blanco. There are at present three positions actually occupied by Spain: one at Cabo Juby, which is the residence of a Governor-General, delegate of the High Commissioner at Tetuan for Southern Morocco; another in the colony of Rio de Oro, at Villa Cisneros, which is the capital of the territory, the residence of a politico-military Governor. The latter has a delegate at La Agüera.

6. The defence of the politico-military bases of the coast is in the hands of European troops, while native police (one mounted " mía " in the northern region and one " mía " on camels) keep order in the interior. Such is the situation in a country of about 200,000 square kilom., of which 120,000 are colony, 18,000 protectorate and the remainder occupied territory.

7. The Melilla paper goes on to ask whether once more the pressure of her neighbours in Morocco will be necessary to force Spain to move, and answers the question with a categorical negative. The Government is invited, however, to do nothing rashly, but to examine carefully the various aspects of the question, such as the commercial value of the region to be occupied, and the political and

military considerations which must govern useful action. It would be folly to advance light-heartedly into the interior as has been done so often before, notably in 1902, 1904 and 1912, when Taza, Fez and Ouazzan, with the rich valleys of the Sebu, the Imanen and the Ouarga were gaily given away; but just as much to be avoided was the defeatism which would give up to another what already belongs to Spain.

8. The idea that Spanish Sahara is an unmitigated desert is erroneous, says the writer. He mentions the existence of bituminous rocks, the possible source of petroleum, in the depression of Sekía-el-Hamaara. To the south of Sekía, on the eastern border of the zone, there are iron mines, worked in rudimentary fashion by the natives. In Laariga, north of Tarfaya (Cabo Juby), Englishmen have found traces of copper, while natives report that such exist also at Izig and Agreibil. Certain regions, besides the oasis, are cultivable, and cattle exist in respectable numbers. The abundance of fish may be judged from the fact that to the north of Villa Cisneros in early spring as much as 8 tons is often caught in a single trawl; while lobsters are taken in immense quantities south of Cape Bojador. Breton, Norman and even Norwegian fishing boats work this coast regularly, and France imports annually about 400,000 lobsters from the Spanish Sahara coast. While at Saint-Etienne, one enterprise, the Société industrielle de la grande Pêche, deals with more than 3,000 tons of fish annually, Spain's share in the West African fish trade is represented by two modest factories at Villa Cisneros and La Agüera.

9. From the political aspect, the effective occupation of Ifni and Cabo Juby would confer prestige on Spain as a colonial Power, accepting full responsibility for her mandates. From the military point of view, Ifni means a continental base for the Canary Islands, with air port, provisioning centre, &c., and, commercially, a developed Southern Morocco permits of the creation of Spanish air lines uniting Europe and South America.

10. It may be said that the optimism of the writer in the Melilla paper is not shared by Sr. R. Beltran Róspide, a well-informed writer, who describes Ifni, in the 1930 edition of *Official Guide to Morocco and Spanish Africa*, as in the main a desolate region, sparsely inhabited and most difficult of access from the sea. It would seem, indeed, that it is the dangers of navigation more than anything else that have hitherto prevented the Spaniards from attempting to set foot on the Ifni littoral. " Is the soil, are the men of this region of Ifni worth the trouble and expense of considerable operations? " he concludes. He suggests also that it might be difficult to persuade the inhabitants to respect the Treaty of Tetuan of 1913, by the provisions of which Ifni was ceded to Spain by a Sultan whom the tribesmen have never recognised.

11. I am sending a copy of this despatch to His Majesty's Ambassador at Madrid and to His Majesty's consuls-general at Tangier and Rabat.

I have, &c.

A. MONCK-MASON.

[W 1476/13/28] No. 9.

Memorandum.

I.—The application of *sanitary regulations* to British subjects in the French and Spanish Zones of Morocco.

II.—The provision relative to *precautions of police* contained in Article 4 of the *Anglo-Moroccan Treaty of* 1856.

I.

IT has recently been suggested by the authorities of the Spanish Zone of Morocco that sanitary measures adopted by them are automatically applicable to British subjects in spite of their extra-territorial status. It will be seen, however, from the following paragraphs that there is nothing in the treaties affecting Morocco to justify the contention that sanitary measures, as such, are on a different footing in this respect from other administrative measures.

The question has two aspects: (*a*) The prohibition of the entry of goods into Morocco on sanitary grounds; (*b*) the enforcement of sanitary regulations against British subjects.

As regards (*a*), article 6 of the Commercial Convention of 1856 reads:—

" Merchandise or goods, except the articles enumerated in article 2, imported by British subjects in any vessel, or from any country, shall not be prohibited in the territories of the Sultan of Morocco. . . . ."

The consequence of this provision is that goods imported by British subjects cannot be prevented from entry (*i.e.*, by being stopped in the customs) even on sanitary grounds unless His Majesty's Government waive their rights under this article. But in instances where a case on sanitary grounds can be made out for the prohibition, the policy of His Majesty's Government is expressly to waive their right in order not to lay themselves open to the charge that their rights interfere with administration. A protest has recently been addressed to the authorities of the French zone against the introduction of regulations imposing an embargo on the importation of cattle on alleged sanitary grounds without prior consultation with His Majesty's Government.

As regards (*b*), the enforcement of sanitary regulations against British subjects in cases where something more is required than the detention of imported goods in the customs, this can only be done through the British consular courts and therefore requires the issue of King's Regulations.

So far as can be ascertained, the Shereefian Government has hitherto made no claim to apply as of right such regulations (*i.e.*, reasonable and genuine sanitary measures) to British subjects without the previous consent of His Majesty's Government. Applications have, in fact, been received in the past from the authorities of both the French and the Spanish zones for the issue of King's Regulations to make legislation of a sanitary nature applicable to British subjects, and these precedents may be taken to show that the Shereefian Government recognises that such measures are not binding upon British subjects without our consent.

It is true that in the conclusion of treaties, prohibitions for sanitary purposes are generally expressly recognised as an exception to treaty provisions precluding the imposition of import prohibitions, but even if this were taken to reflect a general principle which would be applicable to Morocco, it should not be taken to mean that such prohibitions are *automatically* applicable to British subjects, but only that His Majesty's Government would not be justified in refusing to waive their treaty rights or in unreasonably withholding the issue of a King's Regulation to make them so. The same applies to the undertaking contained in the Anglo-French Declaration of the 8th April, 1904, that His Majesty's Government will not obstruct action taken for the purpose of the administrative, economic, financial and military reform of Morocco, to which the Spanish authorities have also appealed in this connexion.

It is, however, recognised that, with regard to the large body of municipal sanitary regulations which are constantly being amended and supplemented, it is not practicable to employ the cumbersome machinery of King's Regulations. In all proper cases His Majesty's consular officers co-operate with the local authorities to ensure the observance of these regulations by British subjects. In the event of a British subject disregarding the provisions of a sanitary measure binding upon the local inhabitants and upon the nationals of the non-capitulatory Powers the proper course for the local authorities would be to request His Majesty's consular officers to cause the offender to conform. If, however, the latter refuses to do so, no steps can legally be taken to compel him unless a King's Regulation is made to apply the measure in question to British subjects.

It has been suggested that reasonable and genuine sanitary measures are *precautions of police* and that as such they may be applied to British subjects by reason of the provisions of article 4 of the *Anglo-Moroccan Treaty of* 1856. This position is examined in the second part of this memorandum.

II.

Article 4 of the *Anglo-Moroccan Treaty of* 1856 provides that British subjects shall have the right to travel and to reside in Morocco " subject to the same precautions of police which are practised towards the subjects or citizens of the most-favoured-nations."

So far as is known, the phrase " precautions of police "as used in the treaty has never been defined. To begin with, however, it is clear that certain

interpretations are impossible in view of treaty provisions. It is not possible, for instance, to extend the meaning of the phrase to include regulations in respect of which a tax or toll is levied. For, at a later point in article 4 of the treaty, it is expressly provided that British subjects " shall not be obliged to pay, under any pretext whatever, any taxes or impositions." Nor, by reason of treaty provisions, is it possible to agree that the police precautions contemplated in the treaty, which His Majesty's Government agree shall be applicable to British subjects, can be of such a nature that their enforcement would operate to place an embargo on the importation of goods by British subjects at any of the open Moorish ports. It likewise cannot be maintained that they may include dispositions which would have the effect of increasing the dues payable on the importation of goods which are fixed by treaty.

In general, it may be laid down that the " precautions of police " referred to in paragraph 4 of the treaty are applicable only to persons and not to goods. The article contains the phrase " with respect to the personal privileges to be enjoyed by the subjects of Her Britannic Majesty," and the whole article is devoted to the rights of persons and contains no mention of merchandise.

The phrase may reasonably be interpreted to mean : (1) *Regulations* affecting the action of the individual in relation to the community which are clearly in the public interest; and (2) *executive action* taken by the competent authorities against, or in relation to, individuals where such action may reasonably be held necessary for the safety of the individuals concerned or for the preservation of the public security, *e.g.*, the detention of arms and explosives in passengers' luggage, the refusal of permission to travel in dangerous areas, or the restraint of persons acting to the public danger. According to this definition, " precautions of police " would cover certain sanitary measures of both kinds—regulations and executive acts—*e.g.*, those connected with quarantine, the drug traffic, &c.

As regards (1) *regulations*, whether, in virtue of the phrase in the treaty, such measures should be regarded as automatically applicable to British subjects without the issue of King's Regulations is a point which might be argued, but which it is not desirable to raise.(1).

Unless the issue is forced by the Shereefian authorities, our attitude should be that no legislation of any kind is binding on British subjects without the issue of King's Regulations, which should not, however, be refused in the case of reasonable police measures.

As regards (2) *executive acts*, it should be maintained that, except where immediate action by the authorities may reasonably be held necessary on grounds of safety, police precautions, like other measures applicable to British subjects, can only properly be enforced against them through His Majesty's consular officers.

Foreign Office, February 10, 1934.

(1) In a note on legislation relative to police and public security, the Spanish jurist, López Olivan, appears to recognise that such legislation is not applicable to British subjects prior to its acceptance by His Majesty's Government—

Legislación Vigente en la Zona de Protectorado Español en Marruecos, Vol. 1, III, 5.

" Measures relative to matters of police and public security, enacted in the zone, are binding on all Spaniards inhabiting the same "(2).

Note 2.—" In practice the attitude of certain Powers makes this principle inapplicable in relation to the subjects or protégés of countries which have not renounced the Capitulations. That is to say, that Great Britain considers that dispositions, of whatever character, enacted in the zone are not binding upon her nationals if the Government has not previously made the relative regulation."

[W 1621/33/28] No. 10.

Consul-General Edmonds to Sir John Simon.—(*Received February* 15.)

(No. 17.)

Sir, *Rabat, February* 9, 1934.

I HAVE the honour to report that slight disturbances occurred in Rabat on the 5th and 6th instant. The turbulent element on this occasion was not the natives, but the European settlers or " colons." Ever since agricultural depression set in these people have been a problem. The Administration has

tried to keep them going by means of loans and other privileges, but they are mostly in a precarious condition. Latterly they have had a fresh grievance, for last year the authorities predicted a surplus of grain and encouraged farmers to sell in spite of low prices. Most of them sold accordingly, and now find that the predicted surplus was a " miscalculation," and that a few who had inside knowledge and held back their grain are making a fortune in a time of shortage. Thus exasperated, the bolder " colons " shaved their heads and vowed that they would have satisfaction. I have it on good authority that they sent the Resident-General word that they would wait on him with hand grenades, to which he replied that the Black Guard would be ready for them.

2. On the 5th instant some thousand settlers met in Rabat under the auspices of the " colons tondus," and, after passing resolutions that their debts should be reduced by 35 per cent., that all judicial process against them should be suspended, &c., they set out in an orderly column for the Residency. When they tried to force their way through a cordon of French and native police and of Black Guards, they found the latter not too nice in the use of their rifles. Even if it is untrue that one farmer was bayoneted, several certainly were badly knocked about, and there was a good deal of natural, if unjustifiable, indignation that a negro guardsman should have clubbed a one-armed " ancien combattant," that a native policeman should have threatened another invalid ex-service man with his revolver, and that a Senegalese should have torn the Légion d'Honneur rosette out of the buttonhole of a third.

3. A further demonstration took place on the 6th, and the shops in the main street of the European town closed again for an hour—out of fear rather than out of sympathy. There was some excitement in Casablanca, too, but no demonstration beyond the closing of shops. On the 7th everything was calm again, the Resident-General having apparently conciliated the " colons " by tactful handling rather than by any definite promises.

4. At any ordinary time these events would have had little enough significance. But, unfortunately, they have coincided with a period of political chaos in France and occurred the very day after the announcement of M. Ponsot's transfer, which seemed to indicate that French rule in Morocco was only a pawn in the game of party politics. These three things will not be lost on the mind of the native. They will not tend to increase his respect for established authority, and that at a moment when, on the one hand, nationalism is slowly growing, and, on the other, France wants to reduce her garrison. The alarm which some French residents already feel is at present unnecessary, but, if the chaos in France were to cause any relaxation of authority here, it would not be long before an ugly situation would develop. Fortunately, M. Ponsot, though no doubt much worried in reality, has appeared to carry on quite unperturbed either by the antics of the " colons tondus " or by M. Daladier's shabby treatment of him. He was, I believe, much comforted by an appreciative telegram from the Quai d'Orsay and by the expressions of sympathy which were provoked by his meteoric dismissal and reinstatement.

5. I am sending copies of this despatch to His Majesty's Ambassador in Paris and His Majesty's consul-general at Tangier.

I have, &c.
W. S. EDMONDS.

[W 1915/1083/28] No. 11.

Consul-General Edmonds to Sir John Simon.—(*Received February* 24.)

(No. 26.)

Sir, *Rabat, February* 16, 1934.

WITH reference to Foreign Office despatch No. 96 of the 17th August, 1933, and to earlier correspondence regarding a possible change in the Moroccan customs tariff, I have the honour to report that the Resident-General gave me an outline of his ideas on this subject on the 13th instant.

2. M. Ponsot began by remarking that, if something was not done to stop the Japanese invasion of the market, there would soon be no room in it for anyone else. He emphasised the falling local sales of Lancashire goods, and admitted that French trade was also hit. The anti-dumping dahir (my despatch No. 68 of the 2nd June, 1933) was not applicable against Japan. There was, therefore,

a demand for further measures, but when people denounced the Act of Algeciras as responsible for the defencelessness of Morocco, they were, of course, wrong, since it was the Anglo-Moroccan Commercial Treaty of 1856 which held Morocco to a fixed *ad valorem* duty.

3. His idea, M. Ponsot continued, was that, as this question concerned Great Britain, France and Spain alone, there should be friendly discussions between those three countries, in order to seek an arrangement more in accord with present circumstances. He was careful to say that he did not propose to proceed unilaterally. He had in mind three main principles: (1) Reciprocal quotas; (2) a specific tariff; (3) the protection of Moroccan—but, he emphasised, not French—industries. Something must be done to save Morocco from a general collapse, which would benefit no one, and he believed that so reasonable a proposal would meet with the agreement of His Majesty's Government. I confined myself to saying that I was sure His Majesty's Government would consider sympathetically any proposals which might be made.

4. Since his appointment the new Resident-General has given several hints that he would make proposals on the above lines. He has evidently given up his predecessor's scheme for a mere increase in the flat rate of import duty. Until his proposals can be studied in a concrete form it is difficult to express an opinion, but, in principle, M. Ponsot's scheme may contain certain advantages for British trade. Firstly, it may make it possible to restrict Japanese competition in articles which interest us. Secondly, it leaves untouched the question of the Capitulations and our extra-territorial rights in general. The main disadvantage of the scheme would seem to be the danger that, in spite of the good faith in which M. Ponsot puts it forward, it may prove in practice to involve unfair discrimination.

5. I am sending copies of this despatch to the Department of Overseas Trade and to His Majesty's consul-general at Tangier.

I have, &c.
W. S. EDMONDS.

[**W 2290/33/28**] No. 12.

Lord Tyrrell to Sir John Simon.—(*Received March* 8.)

(No. 412.)
Sir,

Paris, March 6, 1934.

WITH reference to Mr. Campbell's despatch No. 1265 of the 1st September, 1933, regarding the pacification of French Morocco, I have the honour to transmit to you herewith a copy of an interesting note by the military attaché describing the further operations on which the French army in Morocco has recently embarked in order to reduce the last tribal strongholds in the extreme south of Morocco.

I have, &c.
TYRRELL.

Enclosure in No. 12.

Colonel Heywood to Lord Tyrrell.

The Ambassador,

OPERATIONS in the extreme south of Morocco have now commenced. Their object is to complete the task of pacification of French Morocco by reducing the last stronghold of dissidence.

2. This unsubjugated area lies to the south of Tiznit and to the west of Akka, between the middle and lower course of the Draa and the Atlantic coast. It includes the western parts of the Anti-Atlas and of the Djebel Bani. To the south of the latter's cliff-like hills lies the plain of the Draa, which merges into the Sahara Desert, the lower course of the Draa forming the boundary between Morocco and the Spanish territory of Rio de Oro. There is also on the Atlantic coast a Spanish enclave at Ifni. The western part of the Anti-Atlas is reported to include some difficult mountainous ground, and, although not so high as the Great Atlas, some of its peaks reach an altitude of 6,000 to 7,500 feet.

3. According to press reports, about 32,000 troops are taking part in these operations. They include no French troops, but consist mainly of native levies

with French officers and a nucleus composed of Foreign Legion and some regular North African troops. They are organised into two groups:—

One under the command of General Catroux is based on Tiznit.
The other under the command of General Giraud is based on Akka.

Tiznit has direct road communication with Agadir. Akka, south of the Djebel Bani, has direct road communication with Taroudant and Marrakech.

The western column will operate southwards across the Anti-Atlas, whilst the eastern column will advance westwards in the area across the foot-hills of the Djebel Bani. For climatic reasons the operations will have to be carried through quickly, as, after April, the heat and lack of water would greatly increase the difficulties of the operations.

4. The G.O.C.-in-C., General Huré, left Rabat on the 21st February and visited both group headquarters at Tiznit and Akka.

5. Operations started on the 20th February, when elements of General Giraud's column occupied, without incident, the villages of Tisgui-el-Harratine, at Ait-Ouabelli, 40 kilom. south-west of Akka.

During the night of the 22nd and 23rd February, General Catroux's column occupied the steep heights which dominate the Plain of Tiznit, and reached the Tizi Pass (22 kilom. south-west of Tiznit) and Bou Namane (20 kilom. south of Tiznit).

On the 23rd February General Giraud's column, continuing its advance, occupied the villages of Tadakoast and Agadir Ifouramene, 50 kilom. west of Akka.

The work of constructing motor tracks behind the advancing troops was interfered with both by rain and sand storms.

6. Two attacks were made by the dissidents on General Catroux's detachments at Tizi and Bou Namane, in which they inflicted the following casualties on the French:—

Killed: One French officer, one native officer and three goumiers.
Wounded: One French n.c.o., one Legionary and five goumiers.

7. According to another report, the Governor-General of French West Africa recently inspected Mauritanian troops at their new base, Fort Gouraud; they are to be employed in opposing the retreat into the desert of dissidents, who will be driven back by the French forces operating in the Djebel Bani.

8. The biggest thorn in the flesh of the French columns is likely to be the Spanish territory on the south and western borders of the zone of operations, as the dissident tribesmen will be able to take refuge in that area with impunity and sally forth again when favourable occasions present themselves, as it is understood that the Spaniards have not agreed to giving the French the right to pursuit into their area.

T. G. G. HEYWOOD, *Colonel, G.S.*,
Military Attaché.

Paris, March 2, 1934.

[**W 2528/33/28**] No. 13.

Consul-General Edmonds to Sir John Simon.—(*Received March* 14.)

(No. 34.)
Sir,

Rabat, March 6, 1934.

I HAVE the honour to transmit herewith a copy of a despatch from His Majesty's consul at Marrakesh which explains clearly the scheme of the military operations going on at present in the Anti-Atlas Mountains. So far, everything seems to have proceeded with more ease and rapidity than was expected. A check on the 23rd February, with a dozen casualties, is admitted. Rumour has it that these losses were very much heavier. The truth may be known later. Meanwhile, the imminent surrender of one Merebbi Rebbo, a sort of mahdi who enjoyed considerable prestige among the tribes, is considered auspicious.

I have, &c.
W. S. EDMONDS.

Enclosure 1 in No. 13.

Consul Vaughan-Russell to Mr. Edmonds.

(No. 26.)

Marrakesh, March 2, 1934.

Sir,

I HAVE the honour to forward to you herewith a brief memorandum on the subject of the French military operations which commenced recently in the Jebel Bani district, south of the Atlas Mountains.

I realise, of course, that this memorandum is not likely to contain much information which is not already known to you. However, I have considered it desirable to make a short report on the subject for purposes of record at least, and I am forwarding the memorandum to you accordingly.

I have, &c.

J. F. VAUGHAN-RUSSELL.

Enclosure 2 in No. 13.

Memorandum respecting French Military Operations in Southern Morocco.

MILITARY operations on a large scale have been in progress for the past week to the south and east of Tiznit, and it is confidently hoped that, as a result of these operations, the remaining groups of tribes which have hitherto refused to submit to the authority of the Sultan and of the French protectorate authorities will be brought under effective control.

2. The vast territories forming the southernmost part of Morocco and bordering on the desert country nominally considered as part of Southern Algeria are the scene of the present operations. Although the Sultan's dominions theoretically extend as far south as the Oued Draa, the barren and forbidding territory which lies south of a line running due east of Tiznit has for about a century not been under the Sultan's control or administered by the Maghzen's officials.

3. The various tribes inhabiting the numerous oases which are dotted about in this desert country have always resisted any efforts which have been made to impose upon them any form of orderly government and, being accustomed to a nomadic existence, they have for centuries lived by raiding and pillaging. As a result of the military operations of the summer of 1933, when rebel tribes in the Middle Atlas were surrounded and their territories occupied by French troops, a considerable number of rebels escaped and found refuge in this district in the extreme south of Morocco where lawlessness has always reigned.

4. The gathering together of an increasing number of subversive elements in the extreme south of Morocco is understood to have caused the French military authorities some concern, for it is known that the smuggling of arms, ammunition, hashish and sugar has been taking place in these areas. It was felt that as long as the tribes in the south of Morocco could obtain, undisturbed and unchecked, through the open southern desert boundary, all the arms and ammunition they required, they might continue to menace the lives and property of the law-abiding tribes living within the area under French control, and even encourage any lingering tendency to revolt among dissatisfied factions in the pacified zone of Morocco. To remove this danger, the present operations were decided upon last autumn.

5. For the past four months there has been great activity at Agadir (the military base for the expedition), where very large quantities of supplies have been accumulated. As evidence of this activity, the customs and shipping statistics for Agadir during 1933 may be cited. Owing to the complete absence of roads in the areas where the troops are now operating, the French military authorities have experienced great difficulties in organising and establishing their lines of communication. Between early January and mid-February all the roads leading to the Sous were thronged with columns of troops, with their baggage-trains, portable kitchens, as well as their light artillery and various other equipment. Despite the difficulties to be overcome, by the 20th February the 25,000 troops which are now engaged in the operations had been moved to their various appointed positions in the Oued Sous Valley to the south of the Atlas Mountains, in readiness for the campaign.

6. General Huré, the Commander-in-chief of all the troops in Morocco, is in supreme command; under his orders two separate armies are operating. The first, under General Catroux (with about 13,000 to 15,000 men) is operating to the south, east and north-east of Tiznit, and is going to move (*a*) southwards, along and parallel to the coast and the Ifni enclave, and (*b*) south-eastwards from Tiznit towards a point about 60 to 70 miles south-east of Tiznit, where it is expected to join forces with the second army, under General Giraud. This second army consists of about 10,000 to 12,000 men, and is operating to the west of Aqqa, situated about 100 miles east by south of Tiznit, and one of the most advanced posts established on the Djibel Bani late in 1932 by the French authorities as a Bureau des Affaires indigènes. This army is moving west and south from Aqqa and converging upon a point about 60 miles south-east of Tiznit, where it is expected to establish contact with the first army.

7. The country in which these two armies are operating is extremely difficult, as it lacks both water and fuel and contains no food resources (such as grain, cattle, or oil) upon which an advancing army can draw supplies for its troops. Operations must necessarily be limited to the winter months, for, by the month of May, the heat in that region will already be excessive, and with limited water supplies at their disposal the troops will hardly be able to do much fighting or even to prolong their stay in the territory occupied.

8. The most difficult fighting is likely to take place in the Jebel Kert, a spur of the Anti-Atlas range, and along the whole length of the Jebel Bani; the occupation of these mountainous districts, it is considered by the military authorities here, is not likely to present exceptional difficulties, though it is admitted generally that the rebel tribesmen (who are experts in guerilla warfare) are certain to take every advantage of their superior knowledge of the "terrain," and to put up a stout fight and to resist against what are certain to be much superior odds. If the tribesmen can hold out until the end of May, it is possible that the operations may partially fail in their object, viz., to occupy the whole of the south of Morocco up to the line of the Djebel Bani. It is stated that, if this range of hills can be securely held and a line of military posts established there, the Moroccan territory lying to the south (*i.e.*, up to the Oued Draa) can be kept under observation even if it is not actually occupied.

9. It is understood that the rebel or "dissident" tribes are armed with between 12,000 and 15,000 rifles of various kinds and possess a moderate number of machine guns. Even though the rifles in the possession of the tribesmen consist to a large extent of old types of rifles, French officers and soldiers who have had experience of fighting with the dissidents maintain that the latter shoot very accurately with their old rifles and obtain better results with them than one would expect.

10. According to the statements and views of senior officers here, the French military authorities are prepared to meet with considerable armed resistance and are by no means inclined to belittle the fighting strength of the tribesmen's forces opposing them. It is for this reason that almost every available soldier in Morocco has been despatched to the Jebel Bani operations, despite a certain reluctance on the part of the French authorities to leave very small garrisons in the cities and towns of Morocco (especially Fez), where signs of dissatisfaction against the French protectorate's system of government have recently become manifest.

11. It is hoped that, before the end of May, the great majority of the troops now engaged in the Jebel Bani operations will be free to return to their depots and garrisons. It is, however, generally rumoured here that a large percentage of the troops now stationed in Morocco are to be withdrawn and sent to France at the earliest possible moment after these operations are over, owing to the uneasiness felt in France regarding the present international situation. It would, however, appear doubtful whether France will withdraw many troops from Morocco unless a serious international crisis should arise and make such a course absolutely necessary.

12. Mention should be made, perhaps, of the work which has been carried out at Agadir during the past year or two, to make it a military and naval centre. Progress has been made in extending the breakwater at Agadir and in building a port with facilities that will enable it to act as the outlet for the export trade of the Sous and its hinterland. It is stated that plans have been made for establishing at Agadir a French naval base, and that these plans are being put

into execution. As there is, of course, already a large aerodrome at Agadir, the rumours which are current that Agadir is destined to be developed as an important military and naval base are perhaps not unworthy of credence. It is, further, possible that there may be some justification for the rumours which are frequently heard, that Agadir may, in the not distant future, be linked by rail, via Ourzazat and the Tafilalet, with Colomb Bechar and the Algerian Railway system and, ultimately, perhaps, with the Trans-Saharien, if and when it should materialise.

J. R. VAUGHAN-RUSSELL.

Marrakesh, March 2, 1934.

[W 2548/2548/28] No. 14.

Memorandum respecting the Attitude to be adopted in the event of Renewed Demands by the French Government for the Surrender of the Capitulations in Morocco.

OUR extra-territorial rights in Morocco are based on the General Treaty with the Sultan of 1856 and consist for practical purposes of the following main privileges :—

(1) Immunity of British subjects from the local jurisdiction (mainly articles 8, 9 and 14(1)).
(2) Immunity of British subjects from local taxation (article 4(1)).
(3) Extra-territorial privileges for consular officers (article 3).

[There are also privileges for protected persons—Mokhalats and Semsars. But we do not now attach any material value to these. The same may be said to some extent of our right to operate a postal service.]

In addition to our extra-territorial rights proper we have certain important commercial rights, principally :—

(1) A fixed maximum rate of duty for goods imported by British subjects of 12½ per cent. (article 7 of the Commercial Convention of 1856 and article 66 of the Act of Algeciras).
(2) The general guarantee of "commercial equality and economic liberty" (articles 1 and 5 of Commercial Convention, article 4 of Anglo-French Declaration of 1904, article 4 of Franco-German Convention of 1911 and the preamble of the Act of Algeciras). The extent of our rights under this heading is not accurately defined, *e.g.*, it is doubtful whether we are entitled in all respects to national as well as most-favoured-nation treatment. These rights in Morocco are, however, more important than those conferred by the usual most-favoured-nation treaties since they entitle us in any case to equal treatment with the French and the Spaniards in their respective zones.
(3) Adjudications : public contracts to be put up to open tender (articles 66, 74 and 105–111 of the Act of Algeciras and article 6 of the Franco-German Convention of 1911).

II. All the above rights(2) were acquired by agreements between us and the Sultan of Morocco. In 1912 the French established a protectorate over the greater part of Morocco (the French Zone), and became responsible for the foreign relations of Morocco and also, practically speaking, for the administration of the country. Since then they have made several attempts to induce us to give up our extra-territorial rights, which are irksome to them and, with the establishment of French courts and a French-controlled Administration, are more or less an anachronism.

(1) These immunities are not absolute: *e.g.*, British subjects sue as plaintiffs in the local courts; certain local taxes are by treaty applicable to British subjects, and, in practice, the bulk of local taxation is applied to them by King's Regulation. The immunity of British subjects from the jurisdiction of the local courts and from the operation of the local law, has the important effect of precluding the application to them of the French decree and the Moroccan dahir of the 8th November, 1921, on the subject of nationality in Morocco, and preventing their acquisition of French or Moroccan nationality if born in Morocco of a father or mother born there (see "Further Correspondence respecting Morocco," Part 70, No. 26, paragraph 12).

(2) Apart from those under the Franco-German Convention of 1911.

Their grounds for pressing us are :—

(1) Arguments connected with the Anglo-French Declaration of 1904 concerning Egypt and Morocco : Article 2 of the secret articles attached to the declaration states :—

> "His Britannic Majesty's Government have no present intention of proposing to the Powers any changes in the system of the Capitulations, or in the judicial organisation of Egypt.
>
> "In the event of their considering it desirable to introduce in Egypt reforms tending to assimilate the Egyptian legislative system(3) to that in force in other civilised countries, the Government of the French Republic will not refuse to entertain any such proposals, on the understanding that His Britannic Majesty's Government will agree to entertain the suggestions that the Government of the French Republic may have to make to them with a view of introducing similar reforms in Morocco."

The abolition of the Capitulations in Morocco was contemplated in connexion with projected judicial reforms in Egypt and a draft convention was prepared in 1919 providing for the surrender by us of our extra-territorial rights in Morocco in return for the French consent to abandon their similar rights in Egypt. The scheme for the abolition of the Capitulations in Egypt subsequently fell through and the proposed convention was not proceeded with. However, in 1922 His Majesty's Government, in informing the French Government that they took note of the latter's recognition of the termination of their protectorate over Egypt, added that His Majesty's Government remained ready, if and when the Capitulations were abolished in Egypt, to acquiesce in the abolition in the French Zone of Morocco.

It is understood that we still contemplate sooner or later concluding a treaty with Egypt which would include an undertaking by us to assist in obtaining the consent of the Powers concerned to the abolition of the Capitulations.

If and when in pursuance of such an undertaking we ask the French to agree to the abolition of the Capitulations in Egypt, it will be difficult, if not impossible, to resist their demands as regards Morocco, if they consent as regards Egypt.

(2) Article 4 of the Anglo-French Declaration of 1904 contains a clause providing for termination, after thirty years by one year's notice, failing which the period is to be extended for five years at a time. It was suggested that the French might give notice under this clause in April of this year with a view to demanding the termination of the Capitulations in Morocco irrespective of the position in Egypt. They did not do so. In any case there does not appear to be anything in this point : (i) it seems obvious that the clause with regard to termination applies only to article 4 (commercial provisions) and has nothing to do with the article concerning the Capitulations; (ii) even if the French could and did denounce the declaration we would not for that reason be obliged to agree to give up the Capitulations in Morocco. What we maintain is that under the secret article the French cannot require to give them up in Morocco till they are abolished in Egypt. But the French do not, in any case, admit this.

(3) Article 9 of the Franco-German Convention of 1911 (to which His Majesty's Government have acceded) :—

> "In order to avoid, as far as possible, diplomatic representations, the French Government will urge the Moorish Government to refer to an arbitrator . . . . complaints brought by foreign subjects against the Moorish authorities. . . . . .
>
> "This mode of procedure shall remain in force until such times as a judicial system founded on the general principles embodied in the legislation of the Powers interested, shall have been introduced, which shall ultimately, by agreement between those Powers, replace the consular courts."

In 1922, in reply to His Majesty's Government's statement of their position mentioned under (1) above, the French Government took up the attitude that, irrespective of the position in Egypt, we were bound to agree to the abolition of the Capitulations in Morocco in virtue of the introduction of the judicial system

(3) It appears from the French text that this is intended to refer only to legislation affecting the Capitulations and the judicial organisation.

contemplated in the above article. We replied that the article in question was not an agreement for the suppression of the Capitulations, but provided a means for dealing with claims by foreigners during the period before the establishment of the new system. (Although this is no doubt correct, the article seems to imply recognition of the principle that the establishment of a satisfactory judicial system would lead to the abolition of the Capitulations.)

(4) The status of Tangier. At one point in the correspondence we had implied that we could not consider the modification of the position in Morocco pending the internationalisation of Tangier.(4) Accordingly on the adoption of the Statute of the Tangier Zone the French reopened the question and renewed their suggestion that His Majesty's Government should abandon their capitulatory rights in the French Zone in view of the internationalisation of Tangier. When we refused they threatened recourse to arbitration.

They are clearly doubtful of their chances of success, since, when we accepted the proposal of arbitration, they let the matter drop.

(5) In his despatch No. 23 of the 27th February last Mr. Edmonds suggested that the subjugation of the Atlas might afford the French a pretext for reopening the question of the Capitulations. This has just been completed and the French may soon be able to claim that the whole of Morocco is under the control of an efficient Administration and that the maintenance of the Capitulations is therefore an anomaly.

(6) All the other Powers except ourselves and the United States have already given up their extra-territorial rights. This was usually done by a unilateral declaration taking note of "the judicial equality offered to foreigners by the French courts." The rights of the United States are dependent on our own, being enjoyed under the terms of a simple most-favoured-nation treaty.

To sum up, Mr. Edmonds has expressed the opinion that we shall shortly have to meet further pressure from the French to abandon or at least modify the Capitulations. In that event they will be able to put up a fairly strong case on the general ground that the circumstances which the system was designed to meet have disappeared and that the maintenance of it is an unreasonable impediment to the internal administration of Morocco; and they will point to (*a*) the completion of the pacification of the country; (*b*) the establishment of an Administration which, as far as is known, cannot be maintained to be substantially inferior to general colonial standards; (*c*) the fact that all other European Powers have already given up their extra-territorial rights. Whether they would succeed in an arbitration against us seems uncertain. We have our definite rights under the 1856 treaty, and the French do not seem able to point to any treaty obligation on our part to terminate them, except in case of the Capitulations being abolished in Egypt. On the other hand, we cannot presumably claim to retain rights of this kind under a treaty which contains no revision clause for ever. The French case and their pressure may therefore be expected to grow stronger as time goes on even if the eventual abolition of the Capitulations in Egypt should not cut the ground from under our feet.

III. In view of the likelihood that the French would reopen the question, steps were taken to estimate (*a*) the advantage to us of retaining the Capitulations, and (*b*) what safeguards or compensations we should try to obtain if we agree to renounce them. Memoranda were furnished by Mr. Edmonds at Rabat and Mr. Gardiner at Tetuan.(5)

The position, as it appears in these memoranda, may be summed up as follows:—(6)

(1) *British Subjects.*

The British community in Morocco is unimportant (amounting to 2,000 or 3,000, of whom only 200 or 300 are from the United Kingdom), and would not be seriously affected personally by the loss of extra-territorial rights.

(4) See Part 51, Enclosure in No. 86.
(5) See Part 70, No. 26, and Part 71, No. 22.
(6) The following paragraphs are based on Mr. Edmond's conclusions: Mr. Gardiner states generally that the same considerations apply in the Spanish Zone and concurs in Mr. Edmond's recommendations. In any case our policy with regard to the Capitulations in the Spanish Zone must follow that adopted for the French Zone, where our interests are far more important. If we surrender any of our rights in the French Zone we shall have to do the same in the Spanish, but not unless.

(2) *British Trade.*

Our trade in the French Zone would be squeezed out almost entirely were it not for our special privileges. Of these, the most important are:—

(*a*) The 12½ per cent. maximum rate of duty.
(*b*) The provisions regarding commercial equality and adjudications.

Neither of these need necessarily be surrendered if we were to abandon our extra-territorial rights as regards jurisdiction and taxation. But while these latter are not considered of great value in themselves (in practice we agree to all reasonable new taxation and enforce it on British subjects), Mr. Edmonds holds that they provide an important lever for maintaining the "open door" (*e.g.*, British subjects cannot be brought to book except through the British courts; discriminatory taxation can be held up by refusal to apply it to British subjects), and that, whatever "open door" assurances we might obtain, their loss would mean that our trade would eventually be ousted from Morocco as it has been from other territories under French administration.

On this showing we have the choice of three courses (if and when the question becomes actual):—

(A) To fight for the retention of our present privileges as they stand.
(B) To surrender our extra-territorial rights proper, and retain, if possible, our commercial privileges with such other safeguards for equality of treatment as we can obtain.
(C) To surrender the whole of our special privileges (which would be replaced by a commercial treaty on the usual lines) in return for suitable concessions elsewhere.

From the point of view of our interests in Morocco, Mr. Edmonds favours (A).

(B) Mr. Edmonds considers would only postpone for a few years the loss of our commercial position in Morocco.

(C) depends on whether we have any suitable concession in mind. Mr. Edmonds thinks we could ask a high price.

IV. We wrote in May last to the Board of Trade and proposed that an inter-departmental meeting should be held on this subject, having in mind at that time the possibility that we might make use of the surrender of our rights in Morocco as a make-weight in some general commercal agreement with France. A meeting was ultimately held on the 21st September between representatives of the Foreign Office, Board of Trade, India Office, Colonial Office, Dominions Office and Department of Overseas Trade, with Mr. Edmonds also present.

The Board of Trade objected strongly to the idea of bargaining with our rights in Morocco. They pointed out that, even if it were possible to obtain counter-concessions of an equivalent value in return for what we should lose by giving up our privileged position in Morocco (where they estimate our trade provisionally as worth £2 million a year), they would find it impossible to defend politically the principle involved in sacrificing the interests of one group of British subjects (those trading with Morocco) in return for advantages to be granted to others. If it were a question of covenanting for concessions of a political nature in return for the surrender of the Capitulations in Morocco, the Board would, of course, take into consideration the views of the Departments concerned as to the value of such concessions. For the reasons stated, however, they would consider such a solution objectionable in principle.

The Board of Trade also endorsed very definitely Mr. Edmonds's view as to the importance of our extra-territorial rights proper (consular courts and immunity from local taxation) in maintaining our trading position in Morocco. Both they and Mr. Edmonds were firmly convinced that once we lost our extra-territorial rights, it would only be a matter of time before the French authorities found means to squeeze our trade out of Morocco as effectively as has been done, for instance, in Syria. Mr. Edmonds explained that, put crudely, the position was that the only thing which prevented the French from discriminating against our trade more than they did, and enabled us to some extent to insist on the observance of our commercial privileges, was the knowledge that we had it in our power to make trouble by refusing to apply local legislation to British subjects. Neither the Board of Trade nor Mr. Edmonds therefore attach any material

importance to the possibility that, if we were willing to bargain now for the abolition of our extra-territorial rights, we might be able to obtain on paper the reaffirmation of our present privileged position in commercial matters. The Department of Overseas Trade supported the views of the Board of Trade and Mr. Edmonds as regards the probable effect on our trade of the surrender of extra-territoriality.

The Board of Trade further expressed considerable doubt as to whether it would, in fact, be possible, if we once agreed to the revision of our treaty rights in Morocco, to insist on the retention of such exceptional commercial privileges as the 12½ per cent. maximum for import duties. Both they and the Colonial Office are of the opinion that this latter provision, just as much as the system of extra-territorial jurisdiction, can be represented as an obsolete restriction on the autonomy of the Moroccan administration. They doubt if the French authorities could be induced to reaffirm it. They suggested that similar provisions in old treaties had before now been held by legal authorities to be inapplicable.

The Board of Trade therefore see no advantages in any of the three courses proposed except the first, namely, to insist upon the maintenance of the *status quo* as long as possible. They do not overlook the fact that, if we are forced later on to abandon our rights in Morocco, we shall probably not be able, as we might be now, to obtain any *quid pro quo* for their surrender. Their view as regards this possibility is that, in the first place, the respite given to British trade in Morocco would, they hope, have contributed so far to strengthening our position in the market; and secondly that, in any case, even if the loss of our trade can only be postponed for a number of years that will be so much to the good. If we are forced later on to give way to the French demands we shall not at any rate be open to the criticism that we should incur if we surrendered our privileges voluntarily before we were obliged to, whether in return for counter-concessions or not.

A further point made in favour of course (A) was that, if we were to give up our extra-territorial rights in Morocco in return for counter-concessions before the question of the Capitulations in Egypt is finally disposed of, the French Government might legitimately claim to be relieved of their obligation under secret article 2 of the declaration of 1904 and might later raise difficulties with regard to judicial reforms in Egypt. It would, therefore, in any case, be necessary to obtain as part of any settlement regarding Morocco, an assurance that the French would agree, when the time came, to the abolition of the Capitulations in Egypt. This would, of course, reduce our bargaining powers in other directions.

As regards the views of the other Departments concerned, the position of the Colonial Office is that they would raise no objection to the abolition of the Capitulations from the point of view of the British subjects of colonial origin who form the majority of the British community in Morocco. In principle, they would be glad to see the provisions of the Moroccan treaties modified. They made the point with regard to the 12½ per cent. tariff that we were being much embarrassed ourselves by the terms of the Anglo-Dutch Treaty of 1824 regarding the duties to be levied on Dutch shipping in the East Indies, and they would like to see His Majesty's Government adopt the attitude that the provisions of such old treaties were inapplicable at the present date. If the treaty position in Morocco were to be brought up to date, they would look for the termination of certain old treaties affecting Muscat and Zanzibar (they do not attach much importance to this as the treaties are to some extent a dead letter, but they thought it desirable that the position should be regularised). They would also hope that it might be possible to obtain most-favoured-nation treatment in France for our colonial produce.

The India Office have put forward suggestions in the past that territorial adjustments in India should be sought as the price of our surrender of the Capitulations in Morocco. They did not, however, press these suggestions at the meeting in view of the general opinion against surrendering our rights at the present time, but merely stated that they would like them to be considered if there should be any question of obtaining counter-concessions from the French later on. They have since pointed out that the principle underlying the more important desiderata put forward by the Government of India in the past has been, not so much the acquisition of territory at the expense of the French settlements in India, as the power to exercise police jurisdiction over British subjects in foreign *enclaves*, which provide "cities of refuge" for political agitators and terrorists from British India. In the opinion of the India Office

it might be argued that a claim to exercise such jurisdiction over British subjects in French territory in circumstances where it can be shown to be of substantial practical value to a neighbouring Administration is an appropriate demand to make in response to a French claim that we should abandon extra-territorial privileges in a territory where, under modern conditions, their maintenance is an anachronism.

As a result of the decided views expressed by the Board of Trade and Mr. Edmonds the conclusion was generally accepted that we should confine ourselves for the time being to course (A), and that there was therefore no use in considering further the possibilities of counter-concessions.

In the circumstances, there is nothing further to be done at present with regard to this question, but to await the next move from the French Government. If and when they reopen the question, we must presumably ignore, as far as possible, any arguments based on the reasonable claims of the French administration in Morocco to be freed of obsolete servitudes and stand uncompromisingly on our treaty rights. Our position in this respect is fairly strong, in that our rights are clearly laid down in the treaties, and there is, as far as we know, nothing which definitely commits us to giving them up at any specific date prior to the abolition of the Capitulations in Egypt. This attitude may be hard to reconcile with the liberal policy which we have adopted elsewhere, but the French are scarcely entitled to press very far an appeal to liberal principles; and it may be hoped that they will continue to obscure the real strength of their moral case, as they have done hitherto, by hair-splitting arguments on the interpretation of the treaties. It is, of course, possible that the French may return to their suggestion of arbitration. If they do, our legal advisers see no reason why we should not accept the challenge. If for any reason the position in this respect should change and it should be considered that our case was not strong enough to risk an arbitration, the whole situation would be altered, for the political objection to bargaining for the surrender of our privileges on which the Board of Trade principally insist, would decrease if not disappear, and the whole question would have to be reconsidered.

Nevertheless, it must be recognised that our position is morally weak and will weaken progressively as conditions of civilisation in Morocco improve, and it seems inherent in the nature of the case that we shall sooner or later find a *non possumus* attitude untenable. It is therefore perhaps desirable that we should not lose sight entirely of the alternative courses (B) and (C).

As regards (B), we must accept as decisive, as far as anything can be decisive, the considered views of the Board of Trade and our consular authorities that any modification of our present privileges would involve inevitably the loss of our trading position in Morocco and that little importance would attach to any written safeguards we might be able to obtain for our commercial privileges if once the extra-territorial position is modified.

As regards (C), it is doubtful whether, if we are to hold on to the Capitulations until we find our position untenable, we shall be able to obtain much in the way of outside compensation for their surrender (bearing in mind the necessity of insisting on an assurance as regards the Capitulations in Egypt). If, however, we have not been forced by circumstances to give way before then, it might be worth while to review the question before the end of 1935 when the Statute of Tangier may be coming up for revision, since this is a question (in the view of the C.I.D. one of considerable importance) on which we might reasonably hope to obtain some concessions to our point of view on the part of the French and Spanish Governments as part of a general revision of the treaty position in Morocco including the surrender of our extra-territorial rights. On the other hand, His Majesty's consul-general at Tangier, who has been consulted, is not in favour on general grounds of making any connexion between the question of the surrender of our extra-territorial rights in Morocco and that of the revision of the Tangier Statute; and it would probably be unwise to make any reference to the Capitulations in the course of eventual negotiations over the statute unless their abolition is actually under discussion with the French Government.

C. N. STIRLING.

Foreign Office, March 14, 1934.

[W 2819/33/28] No. 15.

Lord Tyrrell to Sir John Simon.—(Received March 22.)

(No. 505.)

Sir, *Paris, March 19, 1934.*

WITH reference to my despatch No. 412 of the 6th March last regarding the pacification of French Morocco, I have the honour to inform you that General Huré, commanding the French forces operating in Morocco, has now received the official submission of the last dissident tribes in the Anti-Atlas region. The operations discussed in the enclosure to my despatch under reference have thus been brought successfully to a close in a remarkably short period, and 38,640 families, or approximately 200,000 persons, have thereby been brought under the sovereignty of the Makhzen.

2. M. Henri Ponsot, the Resident-General of Morocco, returned to Rabat on the 19th March, after visiting the newly-pacified districts of the Anti-Atlas and presiding over a final review. General Huré thereupon gave orders for the dispersal of the troops which have taken part in the recent operations.

3. It is worthy of note that, whereas General Weygand had expressed the intention of terminating the pacification of Morocco in the year 1935, this task has been accomplished one year earlier. The rapid termination of the recent operations, which have been conducted with a minimum of bloodshed, appears to be due to the skilful penetration carried out among the dissident tribes for some years past by French intelligence officers, owing to which the tribes in most cases submitted to the advancing columns of General Catroux and General Giraud without resistance. These intelligence officers worked under the orders of Colonel Lefèvre, a former subordinate of Marshal Lyautey, whose methods he has so successfully adopted.

4. Marshal Pétain, Minister for War, has addressed a telegram to General Huré congratulating him and the troops under his command upon the remarkable success of these operations, which have completed the work of Marshal Lyautey.

I have, &c.

TYRRELL.

[W 3121/33/28] No. 16.

Consul-General Edmonds to Sir John Simon.—(Received April 4.)

(No. 40.)

Sir, *Rabat, March 28, 1934.*

WITH reference to my despatch No. 39 of the 21st instant regarding French military operations in the south of Morocco, I have the honour to transmit herewith a copy of a further despatch on this subject from His Majesty's consul at Marrakesh. Mr. Vaughan-Russell rightly emphasises the effect of the rapid push to the south which enabled mechanised units to get behind the rebels. Besides this, they were subjected to—demonstrative rather than destructive—bombing from the air. They soon realised therefore that discretion was the better part of valour.

2. It is the last sentence of Mr. Vaughan-Russell's despatch which gives food for thought. There will no doubt be continued pressure from France for the garrison in Morocco to be reduced. But France rules Morocco by bayonets, not by consent, and were she ever unduly to weaken her garrison in order to meet a European emergency, she might have to face a nasty local situation. The Moors to-day are less inclined to sit still than they were during the war under Marshal Lyautey's rule.

3. I am sending a copy of this despatch (without enclosure) to His Majesty's consul-general at Tangier.

I have, &c.

W. S. EDMONDS.

Enclosure in No. 16.

Consul Vaughan-Russell to Mr. Edmonds.

(No. 30.)

Sir, *Marrakesh, March 24, 1934.*

WITH reference to my despatch No. 26 of the 2nd instant, I have the honour to report that the military operations in the Djebel Bani district were virtually concluded on the 18th instant. As you have doubtless learned from the numerous reports on the subject published in the local press, the French troops with their auxiliaries met with so little resistance from the various tribes inhabiting the zone of the operations that they were able to push forward at a far more rapid rate than they had originally thought possible.

2. Practically no fighting was necessary, and the various columns found it comparatively easy to advance and occupy the line of the Oued Noun by the 12th instant. The only real difficulty which the military authorities had to meet, and which they brilliantly succeeded in mastering, was the difficulty in establishing their lines of communications and in maintaining sufficient supplies of food and water for their men and their animals. Despite the roughness and rockiness of much of the country traversed, the troops succeeded in advancing so quickly that Goulimine, just outside the south-east limits of the Ifni enclave, was occupied on the 5th instant. Kerdous, the stronghold of the only really important dissident leader, Merrebi Rebbo, and the focus of any serious opposition which might have been encountered, was occupied on the 8th instant. Merebbi Rebbo is a brother of the " pretender " El Hiba, who proclaimed himself Sultan of the Sous and the Anti Atlas district in 1910 and endeavoured to oppose the advance of the French army of occupation in 1912, when he was defeated near Marrakesh and driven into exile. Merebbi Rebbo, fearing for his life in case of capture by the advancing military forces, fled to the Rio de Oro on the 7th instant, and his precipitate departure was followed by the surrender of all his followers in the Kerdous district on the 8th instant.

3. Tribes have surrendered on all sides, and it is estimated that over 300,000 inhabitants who had hitherto considered themselves independent and not under the jurisdiction of the Sultan of Morocco have now recognised the authority of the Sultan and the protectorate authorities. The Akhasass tribe, which has its habitat to the west of the Ifni enclave, and which was expected to offer considerable resistance to the troops' advance, surrendered almost without a shot being fired, and other important tribes like the Ait Mejjat, the Ait Lhassen and the Ait ou Mribet similarly offered to surrender as soon as they saw the array of force which was about to overwhelm them.

4. The operations can hardly be styled a campaign, for so little resistance has been encountered. The occupation of this enormous territory has, however, been so successfully and rapidly carried out that the military authorities are entitled to consider themselves very satisfied with the results obtained, especially in view of the fact that they suffered an almost negligible number of casualties. An interesting feature of the operations has been the use of fast armoured cars in the advance to the Oued Draa; despite the absence of roads, the mechanised units of the French army succeeded in penetrating as far as the line of the Jebel Bani, and the use of armoured cars is considered to have had so great a considerable moral effect that it probably was the deciding factor which brought about the tribes' wholesale surrender.

5. Most of the troops are now being withdrawn from the Anti Atlas district, and by the middle of April will have returned to their depots or barracks; it is rumoured here, however, that before June next a large proportion of the army of occupation in Morocco will be withdrawn to France.

I have, &c.

J. R. VAUGHAN-RUSSELL.

[W 3533/913/28] No. 17.

Sir G. Grahame to Sir John Simon.—(*Received April* 16.)

(No. 173.)

Sir, *Madrid, April* 10, 1934.

I HAVE the honour to inform you, with reference to my despatch No. 170 of the 9th instant, regarding the territory of Ifni, that the President of the Council to-day revealed to the Spanish press that Spain had officially occupied Ifni.

2. Sr. Lerroux explained that secrecy had been maintained as to the imminence of this event in order not to compromise the success of the operation, on the pacific nature of which he laid great stress. It had been effected merely by the disembarkation near the mouth of the Ifni River of a Spanish colonel named Capaz (accompanied by an interpreter and a telegraph clerk), and by the subsequent hoisting of the Spanish flag. Colonel Capaz had recently been selected by Sr. Lerroux personally to be delegate for native affairs on the staff of the High Commissioner of the Spanish Zone of Morocco, and the greatest confidence was reposed in him.

3. The necessary troops and material to consolidate Colonel Capaz's work, said Sr. Lerroux, would be immediately despatchd to Ifni from the Spanish Zone. Sr. Lerroux emphasised his anxiety that the occupation should be effected in a spirit of the greatest possible harmony with the native inhabitants. He felt confident that Ifni could be held without any difficulty with the effectives and material which were being sent.

4. Decrees were published in the *Madrid Gazette* of to-day's date, setting up a military command in Ifni, and appointing Colonel Capaz as Governor responsible for both military and civil affairs in the territory. Translation and summary of the relevant decrees are transmitted herewith.

5. Sr. Lerroux, in hailing the occupation of Ifni as a triumph of the republic, stated that the territory would prove to be an important asset to Spain from the international point of view. It lay on the air route from Europe via Dakar to South America. Eventually, the Trans-Sahara Railway would pass through Ifni. The territory was rich in pasturage and well-adapted for cattle-breeding, and was also believed to contain deposits of potash and phosphates, which, if proved, would be of great benefit to Spanish agriculture. Moreover, the waters adjoining Ifni's hundred kilometres of coast were richly stocked with fish. Scientists would be despatched to explore the territory, and its exploitation by concession-hunters would be prohibited by law.

6. Such was Sr. Lerroux's explanation of the new development, and he added in conclusion that Spain had at no time encountered any difficulty or pressure from the side of France.

7. According to to-day's press an expeditionary force of 950 men left Cape Juby for Ifni on board a Spanish transport on the 9th instant, and a military squadron of six aeroplanes from Laroche landed last night at Casablanca on its way to Cape Juby.

I have, &c.
(For the Ambassador),
T. M. SNOW.

Enclosure in No. 17.

Extract from the Madrid Gazette, *April* 10, 1934.

(Translation.)

President of Council of Ministers to President of the Republic.

AN event of transcendental importance has occurred in the history of Spain and the republic. Symbol and act of possession and sovereignty, the Spanish tricolor is waving in the breeze in the territory of Ifni, raised there by hands of peace and in harmony with the strong, unanimous and unshakable will of the Spanish people. Now that this glorious act has taken place, it is necessary to

organise, if only provisionally, the territory which Spain is now occupying for the first time. With that purpose, I have the honour to submit to your Excellency the following decree :—

ALEJANDRO LERROUX Y GARCÍA.

Madrid, April 9, 1934.

On the proposal of the President of the Council of Ministers and in agreement with him, I hereby decree—

Article 1.—Inasmuch as the definitive organisation of the territory of Ifni is determined upon, a special Government will be set up to be presided over by a Governor, who will assume civil and military command with plenary functions.

Art. 2.—The State Governor will be freely nominated by the Presidency of the Council of Ministers and will be directly and immediately responsible to that Council as regards the two aspects mentioned in article 1.

Art. 3.—The Governor is authorised to organise provisionally a Bureau of Native Affairs in the territory in question, subject to the concurrence of the Presidency of the Council of Ministers.

Art. 4.—The Governor is likewise authorised to organise provisionally an Ifni native guard in the form and conditions authorised by the Presidency of the Council of Ministers on the proposal of the Governor.

Art. 5.—Without previous authorisation from the Presidency of the Council of Ministers the Governor shall not permit any person to enter nor stay in the territory of Ifni who is not a native of that territory.

Art. 6.—The Presidency of the Council of Ministers will decide urgently on the steps necessary to execute this decree.

Given in Madrid, the 9th April, 1934.

President of the Republic :
NICETO ALCALÁ-ZAMORA Y TORRES.

ALEJANDRO LERROUX Y GARCÍA.

(Two further short decrees relieve Colonel Oswaldo Fernando Capaz of his post as delegate for native affairs at the Spanish High Commission of Morocco, and appoint him Governor of the territory of Ifni with the attributes stated above.)

[W 3562/913/28] No. 18.

Consul Monck-Mason to Sir John Simon.—(*Received April* 16.)

(No. 30.)

Sir, *Tetuan, April* 10, 1934.

WITH reference to my despatch No. 12 of the 30th January relative to Ifni and Cabo Juby, I have the honour to report that the recent effective occupation by the French of the south-west corner of their Protectorate in Morocco has had results highly adavantageous to the Spaniards, instead of causing them, as was feared in some quarters, grave political anxiety. Merebi Rebbo, the "Blue Sultan," leader of the rebels in the anti-Atlas, fleeing before the French advance, has taken refuge at Cabo Juby, where the Spaniards have welcomed him with open arms.

2. Colonel Capaz, the newly-appointed Director of Native Affairs for the Spanish Zone, who has a long experience of the Moors, by whom he is respected, flew to Cabo Juby a fortnight ago to confer with Merebi Rebbo; and it is now expected that the occupation of the colony of Ifni will take place without opposition from the natives of Ifni and the Rio de Oro, through the intervention of the "Blue Sultan." The latter will probably be given considerable power in the colony, but I do not know the precise nature of the bargain made.

3. At 3 A.M. on the 9th instant three tabors of the Mokhaznies of the Military Interventions of the Spanish Zone and one full company of Spanish engineers, in all about 900 men, embarked at Ceuta destined for Ifni. I understand that a network of military interventions has already been worked out for

Ifni by Colonel Capaz; four officers have been appointed interventors and left yesterday by air to take up their duties immediately on arrival. There are also persistent rumours that a "bandera" of the Spanish Foreign Legion, besides a group of Regulares troops, either have just embarked or are just going to leave Ceuta for Cabo Juby. That there is almost certainly an intention of making the occupation military as well as political may be inferred from the fact that Colonel Capaz had already in reserve at Cabo Juby for any operations that might have been necessary a squadron of aeroplanes and 5,000 incendiary bombs.

I have, &c.
A. MONCK-MASON.

[W 3897/33/28] No. 19.

Consul-General Edmonds to Sir John Simon.—(Received April 25.)

(No. 48.)
Sir, *Rabat, April 14, 1934.*

WITH reference to my despatch No. 40 of the 28th ultimo, I have the honour to transmit herewith a copy of a further despatch from His Majesty's consul at Marrakesh concerning the recent military operations in the extreme south of Morocco.

I have, &c.
W. S. EDMONDS.

Enclosure in No. 19.

Consul Vaughan-Russell to Consul-General Edmonds.

(No. 32.)
Sir, *Marrakesh, April 10, 1934.*

WITH reference to my despatch No. 30 of the 24th ultimo, I have the honour to report hereunder further details regarding the military operations recently carried out in the extreme south of Morocco, which have now culminated in the occupation of Tindouf (which lies south of the Oued Draa in the Saharan "No-man's Land," which is theoretically part of Southern Algeria), and also in the establishment of liaison between French troops under General Huré's command and the French patrols policing the desert stationed at Adrar in Mauretania.

2. In amplification of my report dated the 24th ultimo, I have to report that the territory recently occupied and restored to the Sultan's authority covers about 12,000 square kilom. As mentioned earlier, the land is mountainous and of little value from an agricultural point of view by reason of the fact that rains rarely fall there and water points are few and far between. Little or nothing is known regarding the potential mineral resources of this barren and remote region, which is largely inhabited by nomads, chiefly engaged in the rearing of sheep, goats and cattle.

3. It should be mentioned that, immediately before the operations (which began on the 21st February last), negotiations had taken place with the leaders of the most important tribes, and a last opportunity was given the latter to surrender and to acknowledge the authority of the Sultan and of the Protectorate authorities. The French political officers at Aqqa and at other posts in the Anti-Atlas got into communication with the tribal leaders and emphasised to them the advantages of their accepting and acknowledging the authority of the Maghzen. They were informed that, if they surrendered, no fines would be inflicted upon them, and that, for two years, they would be exempted from the payment of taxes. In the meantime, as from early in February, measures were imposed which brought home to the tribesmen the advantages enjoyed by the Sultan's loyal subjects: as far as possible dissident tribesmen were excluded from markets established within the territories under the Maghzen's authority. After having given the unsubdued tribes an opportunity of surrendering before the 21st February, the French authorities followed up their political preparations by the military operations, a résumé of which is appended hereunder.

4. I understand that the French military authorities originally intended to occupy a line about 120 miles in length along the Bani mountain-ridge between Aqqa and Foum-el-Hassan, and westward along the Oued Seyad and Oued Noun; the Akhsass tribe was expected to provide the greatest resistance, being the best-equipped and organised of the rebel tribes. The success of the first few days' operations and the rapidity with which the French advanced caused the above tribe to come to terms and to surrender almost without any shots being exchanged. On the 1st March, El Hanafi, Caid of the Akhsass, surrendered, and, on the same day, the Ait Abdullah tribe did likewise.

5. By the 28th February, Taghjicht (150 kilom. from Aqqa) was occupied; further advances by columns, which encircled and eventually occupied Kerdous on the 12th March, led to the surrender of the Ait Souab tribe on the 16th March. The surrender of the above-mentioned tribes and many others, and the consequent rapid advance of the various columns, especially the armoured motor-car columns under General Giraud's command, which advanced westwards along the valley of the Oued Draa, and aimed at cutting off the retreat of the tribesmen who might seek to find sanctuary in the Rio de Oro, precipitated the collapse of the Ait Hammou and the Ait Khebbach tribes; the latter, menaced from the south, as a result of extremely rapid advances by troops from Assa (reached on the 2nd March), and faced with General Catroux' forces advancing south and south-west from Goulimine towards the River Draa, were surrounded and forced to surrender on the 9th March. With the collapse of all resistance from the two important tribes mentioned above, the campaign was virtually ended, and the way became open for the French troops to occupy not only the line of the Oued Draa, the southern boundary of Morocco, but also to advance beyond the Draa and to occupy Tindouf.

6. As a result of the five weeks' operations, all objectives were reached, practically no casualties were suffered, and about 10,000 rifles of various kinds were taken from the tribesmen. The success of the operations was largely due to the fact that the Supreme Command deliberately put into the field forces far larger than those which it was expected would be needed; this display of strength had undoubtedly a considerable effect upon the *moral* of the tribesmen. The latter were certainly overawed thereby, and were further completely surprised at the rapidity with which the French troops and their armoured cars and motor lorries advanced and encircled them.

7. Now that the French military authorities have occupied not only Assa, a very important oasis in the extreme south of Morocco, but also Tindouf (formerly an important caravan station and water point on the Saharan route between North Africa and the Niger), they are now in possession of two vital strategic positions, from which they will be able, in future, to direct whatever form of organisation they create for controlling and policing the nomad tribes moving and migrating between Mauretania, the Rio de Oro and France's North African possessions.

8. I hesitate to offer any opinions on the importance or otherwise of the establishment of a French military post at Tindouf. This achievement, however, appears to me to be one which may well prove to be a momentous step in the further strengthening of France's position in North Africa. As it is well known that a large percentage of the arms owned by the rebel tribes were obtained through the Rio de Oro, and, indeed, rumours are still in circulation that arms smuggling is still continuing through the above territory, the creation and organisation of a French military post at Tindouf, whence all arms smuggling can be prevented, seems to be a development of considerable importance in Saharan affairs.

9. The occupation of Southern Morocco and of the Tindouf oasis has had the immediate effect of causing the Spanish Government to decide to land troops and officials at Ifni, and to assume effective possession of that territory, which, for many decades, has been a Spanish colony in theory but not in fact. The collaboration of the Spanish and French Governments in the work of policing the Western Sahara, now decided upon, should soon result in the complete pacification of the latter zone, which has for centuries been the scene of inter-tribal conflicts and the Reguibat tribes' raids. This prolonged anarchy has reduced to a state of ruin and desolation the Western Sahara and the eastern marches of the Rio de Oro, and rendered communications across that zone for many decades precarious and dangerous.

10. The restoration of security and order throughout the vast territories dependent upon the newly-established military post at Tindouf may well result in the establishment of a direct trade route in the, perhaps, not distant future between France's Central African possessions and Morocco. Although it is difficult at present to estimate what value such a trade route might represent later on, the existence of a direct line of communication from the Niger to Morocco might, from the military point of view, prove to become a factor of some strategic value.

I have, &c.
J R. VAUGHAN-RUSSELL.

[W 4195/913/28] No. 20.

Sir G. Grahame to Sir John Simon.—(*Received May* 2.)

(No. 204.)
Sir, *Madrid, April* 25, 1934.

WITH reference to my despatch No. 186 of the 17th instant, I have the honour to inform you that the occupation of Ifni was discussed in the Cortes on the 19th April. This territory was known formerly as Santa Cruz de Mar Pequeña, and it seems to be the intention of the Spanish Government to revive this name.

2. The debate was opened by the Socialists, who attacked the Government for their imperialist ambition, which, they alleged, they were attempting to gratify at the expense of the natives of the territory and the sacrifice of the lives of Spanish soldiers. Representatives of the Right counter-attacked, supporting the Government for their praiseworthy desire to protect Spanish interests, particularly the sardine-fishing interests in the waters off the coast of Ifni. Reference was also made to the strategic value which might one day be represented by the natural harbour known as the port of El Rio, situated immediately opposite the coast of Ifni on the northern shore of the Isle of Lanzarote.

3. The Prime Minister intervened in the debate on behalf of the Government, explaining that the occupation of the territory had been wholly pacific, that Colonel Capaz and those who accompanied him had landed devoid of any military equipment. When he invited the native chiefs to share his meal, Señor Lerroux added, he was not even equipped with those implements which civilisation puts in our hands for such purposes.

4. He then reviewed briefly the history of the territory, referring to its occupation by Spain in the 15th century, to its recognition in the Treaty of Tetuan of 1870 and in the Spanish-Moroccan Treaty of 1912. He also emphasised the desirability of making the occupation effective, since the development of aviation was daily increasing the territory's importance as a landing station on the air-rank between Europe, Africa and South America. Colonel Capaz had landed, Señor Lerroux continued, with but two attendants, and had met with no opposition, but it would have been foolish to blind oneself to eventualities, and therein lay the justification of landing a small force to ensure that the occupation would remain effective and that the representatives of Spain would be respected by the native inhabitants, who, in response to the invitation of Colonel Capaz, were handing in their rifles. It was true that the occupation had cost the lives of a few soldiers, who had been drowned when landing, and two aeroplanes had met with mishaps, but such misfortunes might have occurred at the mouth of the Ebro or in the course of ordinary military exercises.

5. No personal ambition, Señor Lerroux concluded, had moved him or his colleagues in the Government to undertake the occupation of this territory, and any pride which it inspired in them was due to the feeling that they had fulfilled a duty imposed upon them by the course of destiny.

6. It was stated in the press that the French Ambassador had called on the Prime Minister to acknowledge some friendly allusions to France made by Señor Lerroux in his speech.

I have, &c.
GEORGE GRAHAME.

[W 4899/913/28] No. 21.

Consul-General Edmonds to Sir John Simon.—(*Received May* 23.)

(No. 64.)
Sir, *Rabat, May* 15, 1934.

I HAVE the honour to forward the accompanying copy of a despatch, in which His Majesty's consul at Marrakesh reports upon the Spanish occupation of the Ifni territory.

2. From the French point of view, the satisfactory thing about the occupation is that it can at last be regarded as effective. Fears that this little bit of territory might be used for gun-running or for political agitation seem to have subsided. Even the schooners discovered by the *Daily Herald* in the Scheldt are acknowledged not to have sailed, although Herr Thyssen may have been fitting them out.

3. The limits of the territory are laid down in article 3 of the Franco-Spanish treaty of the 27th November, 1912. The northern boundary is there stated to be the Oued Bou Sedra. No one, so the Residency-General tell me, know which this really was. Colonel Capaz claimed that it was the Asif Igechdern (French official map 1/200,000). The French maintained that it was the Asif Salogmad. a valley 15 kilom. further south. As recounted by Mr. Vaughan-Russell, the French theory has prevailed, for the moment at any rate. A mixed commission will, it is hoped, mark the boundary on the spot.

4. The treaty article quoted above refers to the Ifni territory as having been "conceded" to Spain. From the Residency-General I gather that the Spaniards claim to hold the territory in full sovereignty, whereas the French maintain that it is still under the sovereignty of the Sultan. The point is of no practical importance at present and will probably be left in suspense.

5. I am sending copies of this despatch (without enclosures) to His Majesty's consul-general at Tangier and His Majesty's consul at Tetuan.

I have, &c.
W. S. EDMONDS.

Enclosure 1 in No. 21.

Consul Vaughan-Russell to Consul-General Edmonds.

(No. 39.)
Sir, *Marrakesh, May* 12, 1934.

I HAVE the honour to refer to paragraph 9 of my despatch to you, No. 32 of the 10th ultimo, and to submit a brief report on the present situation in Ifni, the occupation of which by Spanish military forces, under the command of Colonel Capaz, was, as you know, completed on the 2nd instant. The landing of the 1,200 troops (almost entirely Moroccan levies) who are to garrison Ifni presented considerable difficulty, as the coast has no natural harbours or protected anchorages; high winds and rough seas hampered the disembarkation operations, which would not have been easy even if favourable weather conditions had been experienced.

2. I am informed that the Spanish authorities in the Ifni enclave have, without having required to resort to arms, established their authority over the tribal chiefs inhabiting that zone, and have not only obtained their acknowledgment of Spanish sovereignty, but have also succeeded in securing the surrender of well over 1,000 rifles and large supplies of ammunition from the tribes in that territory.

3. Every effort appears to have been made to spare the feelings of the inhabitants of Ifni, whose freedom to smuggle and loot with impunity was likely to be ended with the Spanish assumption of authority. The change of régime cannot but have been regarded as unpopular and irksome by many of the natives of the territory, but I am informed that Colonel Capaz's first act on landing at Ifni to take formal possession of the territory on behalf of the Spanish Government was to negotiate with the owner of the least ruined of the few mud houses there and to fix the terms upon which this hovel—his temporary headquarters—was to be rented. If he paid the rent in advance (as he is understood to have

done), it is not surprising that he made a favourable impression on the local inhabitants, who were rather, it would seem, prepared to expect to have their houses and property arbitrarily requisitioned by the Spanish authorities, having heard of the methods practised by the French military authorities in the neighbouring zone when occupying territory after its capture from dissident tribesmen.

4. Colonel Capaz is understood to have met with no military opposition and to have had few serious difficulties to overcome in organising the administration of the Ifni enclave; the chief difficulties he had to contend with were the total absence of quarters and local supplies for his troops, and the obstacles which had to be surmounted in order to ensure the landing of supplies, military stores and munitions for the garrison from the gunboats lying at a considerable distance from the coast. By having prepared an emergency landing-ground for aircraft within seventy-two hours of his landing, he was enabled to keep in close communication with the Spanish authorities at the neighbouring Spanish military post at Cape Juby and with the Spanish High Commissioner in Spanish Morocco.

5. You have doubtless noticed the press communiqué issued on the 8th instant at Madrid and quoted in the Casablanca newspapers on the 9th instant, reporting that Colonel Capaz had been censured by the Spanish Government for having crossed the northern frontier of the Ifni enclave into Moroccan territory and for having attempted to establish a frontier post along the line of the Oued Uiginit in territory recently occupied by the French military authorities on behalf of His Majesty the Sultan of Morocco. In connexion with the above communiqué, copy of which I enclose herewith for convenience of reference, I beg to report the gist of a conversation on this matter which I had yesterday with my Italian colleague, M. Relli.

6. M. Relli told me that he had had conversations recently with two or three French officers regarding the delimitation of the frontiers of the Ifni enclave and had learned that there was little doubt but that Colonel Capaz had not in reality penetrated into territory which the French Government could rightly claim to be part of the Sultan's dominions. However, for strategic reasons or on economic grounds, the French Government had apparently taken the favourable opportunity presented to them as the result of the successful outcome of the recent operations in South Morocco to bring pressure upon the Spanish Government and to obtain the latter's consent to the revision in favour of Morocco of the northern frontier of Ifni. The fact had, it was stated, been emphasised to the Spanish Government that it was entirely due to French military efforts that the Spanish Government had been placed in the position of being able to occupy Ifni, a colony which Spain had never previously occupied during the seventy-four years it had been a Spanish possession. For this reason the French Government had considered themselves justified in insisting that the northern frontier of Ifni should be modified.

7. My Spanish colleague states that Colonel Capaz probably regarded the northern of the two streams which converge and flow into the sea under the name of Oued Bou Sedra as the northern boundary of Ifni, and that, as the frontier has never previously been accurately described and delimited, he may have been at fault in claiming the northern and not the southern stream as the frontier. He maintains, however, that there had been to his knowledge no diplomatic incident or serious friction, and that, pending the findings of the recently appointed Franco-Spanish Frontier Delimitation Commission, Colonel Capaz had agreed to withdraw his frontier post to the southern stream, which was regarded as the correct boundary by the French authorities. I am, however, unable to furnish any authentic information on the question as to whether Colonel Capaz really endeavoured to incorporate Moroccan territory into Ifni, and has therefore been censured, or whether he did not in reality cross the hitherto accepted frontier, his action being disavowed by the Spanish Government as the result of the French Government's pressure at Madrid.

8. I realise, of course, that the foregoing remarks are of little value and of limited interest; I have, however, ventured to place on record the information I have heard regarding the above-mentioned communiqué and the alleged intention of the Spanish Government to recall Colonel Capaz to Tetuan shortly.

9. As the past history of Ifni is rather obscure, I have thought it useful to enclose a brief and interesting article on that subject which appeared in the local

newspaper *Atlas* on the 6th instant. While this article does not go into details. it gives a summary—which I believe to be accurate—of the facts which explain how Ifni comes to have been acquired by Spain.

10. I have forwarded copy of this despatch to His Majesty's consul at Tetuan for his information.

I have, &c.
J. R. VAUGHAN-RUSSELL.

Enclosure 2 in No. 21.

Extract from the Vigie marocaine *of Casablanca of May* 9, 1934.

LE GOUVERNEMENT ESPAGNOL RAPPELLE À L'ORDRE LE COLONEL CÁPAZ.

Madrid, le 8 *mai* 1934.

D'APRÈS des nouvelles de source autorisée, les opérations de reconnaissance effectuées par les colonnes espagnoles de débarquement dans le territoire d'Ifni ont donné lieu à un incident, qui heureusement semble, d'ores et déjà, réglé, à la suite d'une entente entre les Gouvernements français et espagnol. Le Colonel Cápaz, Gouverneur militaire de la Zone espagnole d'Ifni, ayant, à la suite d'une de ses colonnes, franchi la frontière naturelle formée au nord de ce territoire par le Bousedra, avec l'intention de pousser jusqu'à celle de l'Oued Uiginit, se trouvait ainsi en train d'opérer en territoire d'influence française. Sur les réclamations du Gouvernement français, le Colonel Cápaz a reçu de Madrid des ordres formels de se replier en deçà du Bousedra.

D'autre part, le Président du Conseil des Ministres, M. Samper, a déclaré que la commission spéciale chargée d'étudier sur place l'exacte démarcation des territoires français et espagnol dans la zone limitrophe d'Ifni, partira demain, après étude de la question en Conseil des Ministres.

D'après nos informations, les réclamations du Gouvernement français ont donné lieu à la nomination de deux commissions, l'une française, l'autre espagnole, qui fixeront sur place, et d'un commun accord avec leurs Gouvernements respectifs, les limites du territoire espagnol d'Ifni.

Enclosure 3 in No. 21.

Article appearing in the Weekly Newspaper L'Atlas *of May* 6, 1934.

LA CURIEUSE QUESTION DE SANTA CRUZ DE MAR PEQUEÑA...OU D'IFNI.

NOS amis espagnols viennent de prendre possession du territoire d'Ifni.

Il y a exactement 74 ans, presque jour pour jour, que ce territoire leur a été concédé et le plus curieux de l'aventure est qu'il fut assez difficile de délimiter et de déterminer exactement le point où se trouvait Santa Cruz de Mar Pequeña.

Voici quelques informations que j'ai trouvées, à ce sujet, dans diverses revues et notamment dans le *Bulletin de l'Afrique française* de 1911 :

" Un traité du 26 avril 1860 a concédé à l'Espagne la possession d'un établissment de pêche à Santa Cruz de Mar Pequeña. Mais jamais ce point n'a pu être identifié. Était-ce Agadir, comme quelques Espagnols ont voulu le prétendre à certains moments ?

Était-ce Ifni ? Toujours est-il que lors des récents accords hispano-marocains, le Gouvernement espagnol ayant demandé à l'Ambassadeur El Mokri de confirmer à l'Espagne la possession—comme établissement de pêches—de Santa Cruz de Mar Pequeña, le représentant chérifien a adressé en réponse au Gouvernement espagnol la lettre suivante :

Gloire à Dieu unique.

Et après la formule de courtoisie d'usage.

Et ensuite, comme précision de ce qui fut traité antérieurement entre les deux parties, se référant à la demande faite par votre Seigneurie au Makhzen en ce qui

concerne le voyage des membres de la commission chérifienne conformément à ce qui a été stipulé à l'article 8 du traité du 26 avril 1860 (4 Xual de 1276), lequel texte dit, à la lettre, ce qui suit :

" Sa Majesté chérifienne s'oblige à concéder à perpétuité à Sa Majesté catholique sur la côte de l'océan, joint à Santa Cruz la Pequeña le territoire suffisant pour la création d'un établissement de pêches comme celui que l'Espagne a eu à cet endroit autrefois."

Pour arriver à rendre effectif ce qui a été convenu en cet article les Gouvernements de Sa Majesté catholique et de Sa Majesté chérifienne se mettront particulièrement d'accord. Ils devront nommer des commissions, pour l'une et l'autre parties afin de déterminer le territoire et les limites que doit avoir l'établissement en question.

Ce, conformément à la note du défunt délégué chérifien Sidi Mohamed Vergas, faite le 18 Hoyya de 1300 et dont le texte dit, à la lettre, ce qui suit :

" Gloire à Dieu unique !

Le Ministre des Affaires étrangères du Sultan au Ministre plénipotentiaire de Sa Majesté.—Tanger, 20 octobre de 1893.

(Formule d'introduction.) Les délégués nommés par Sa Majesté le Sultan aux fins de rechercher l'emplacement de Santa Cruz la Pequeña et qui sont allés avec les délégués nommés pour le même objet par l'excellent Gouvernement espagnol ont informé Sa Majesté qu'ils ont accompli les travaux dont on les avait chargés; mais que les délégués espagnols ont déclaré que Ifni est le lieu qui leur convient, bien qu'il ne soit pas le véritable Santa Cruz, parce que le Santa Cruz véritable, sans aucune espèce de doute, c'est Guider-Erredchila, et que Ifni n'est d'aucune manière Santa Cruz, selon ce qu'a déclaré Sid Abdesselam Essuisi lorsqu'il fut envoyé comme Ambassadeur en Espagne, sans qu'il lui ait été opposé aucune objection. Comme il est certain nonobstant que Sa Majesté le Sultan Moulay-el-Hassan veut démontrer d'une manière catégorique ses désirs de maintenir et d'augmenter les bonnes et amicales relations avec Sa Majesté le Roi Don Alfonso, il ne soutient pas de discussion sur le véritable emplacement de Santa Cruz et accède à ce qu'il se forme à Ifni l'établissement de pêcherie duquel il est traité à l'article 8 du traité de paix, conformément à ce qui est exprimé audit article.

Nous ne doutons pas que le Gouvernement espagnol sache apprécier à sa juste valeur ce procédé conciliateur et amical de Sa Majesté chérifienne.

Et pour l'amitié et la paix.

MOHAMMED VARGAS.

Nous vous informons que le Makhzen accepte votre demande et qu'il enverra une délégation chérifienne pour exécuter ce qui est prévu dans l'article cité et dans la note mentionnée plus haut; la délégation chérifienne partira de Mogador, avec la délégation espagnole, après qu'elles se seront toutes deux réunies là-bas—le premier jour de mai de 1911, que le Makhzen soit arrivé ou non à Marrakech.

Que la satisfaction la plus complète soit avec vous.

MOHAMMED-EL-MOKRI.

Les Espagnols firent faire au mois de mars 1911 par le croiseur *Infanta-Isabel* une reconnaissance dont la *Correspondencia de España* a rendu compte ainsi :

" Ce navire a jeté l'ancre à 3 milles de distance du territoire d'Ifni. Ce territoire, d'après la commission présidée par le capitaine de vaisseau *César Fernández Duro*, qui l'a exploré en 1898, n'est autre que Santa Cruz de Mar Pequeña.

On ne connaît pas exactement les territoires que le navire aura relevés au cours de sa croisière.

Des embarcations furent détachées du bord à une distance approximative d'un mille, mais le remous des vagues était si fort que le navire ne put communiquer avec la terre pendant quelques jours. Le consul d'Espagne à Mogador, M. Sostea, et un capitaine d'état-major restèrent à Mar Pequeña.

Pendant ce temps les officiers espagnols ont réalisé une politique d'attraction, au moyen de dons en argent, objets et marchandises diverses.

Le pays est dans une affreuse misère; les indigènes sont en haillons, portant des sacs comme vêtements; tous les habitants sont pauvres et miséreux; ils manquent totalement de ressources.

Comme la mission n'avait pour objet que d'étudier la région et non d'en prendre possession, aucun soldat n'a débarqué, afin d'éviter une attaque probable.

Quelques officiers, ayant appris que le gibier était important, descendirent un jour à terre; les indigènes, au nombre de 2,000, accoururent et ne repartirent que lorsque les officiers regagnèrent le bord.

L'état-major est convaincu qu'un débarquement à Mar Pequeña est extrêmement difficile à cause de sa baie très réduite.

Le port de ravitaillement le plus rapproché est le récif de Lanzarote, à une distance de 100 milles; mais comme dans ce port il n'y a ni eau, ni charbon, ni vivres, les navires sont obligés de se ravitailler à Las Palmas.

En résumé, cela ne vaut rien, et il serait déplorable, pour nous, d'occuper ce territoire."

En 1405, le conquérant des Canaries, Jean de Béthencourt, débarqué au Cap Bojador, parcourut cette partie de la côte africaine faisant face à l'archipel; après lui, Herrera, parti de Ténériffe, établit, en 1476, près du port de Guader, un fort qu'il baptisa Santa Cruz de Mar Pequeña, en laissant comme Gouverneur Alonso Cabresa. Une bulle de 1484 attribua cette possession à la couronne de Castille, et le traité de 1509 entre l'Espagne et le Portugal en reconnut la propriété à la première.

Cependant la garnison espagnole, après avoir repoussé une première attaque des Maures, succomba à un nouveau siège en 1524. Charles Quint projeta, pour récupérer Santa Cruz, une expédition à laquelle il dut renoncer. C'est seulement sous Charles III de Bourbon que le Ministre d'État Grimaldi profita de l'envoi d'une ambassade marocaine à Madrid, en 1765, pour négocier la restitution de cette enclave qu'il obtint par le traité de 1767. Mais ce traité, comme celui de 1799, qui confirmait cette clause, resta lettre morte jusqu'à la Paix de Ouad-Ras, qui mit fin à la guerre hispano-marocaine de 1860 et dont l'article 8 concède à l'Espagne un territoire en vue d'établir une pêcherie sur l'emplacement de l'ancienne Santa Cruz.

Restait à déterminer cet emplacement que les historiens et les géographes faisaient varier du Cap d'Aguer à l'embouchure du Noun ou à celle du Drâa et d'Asaka à Ifni, car sur tous les points les "conquistadores" avaient jadis édifié des châteaux. Enfin, en 1878, une commission hispano-marocaine, à bord du *Blasco de Garay*, désigna comme correspondant à Sainte-Croix-la-Mineure Ifni, à l'embouchure de la rivière de ce nom, mais n'en prit pas encore possession.

L'accord franco-espagnol de 1904 trouva les choses dans cet état et ratifia la clause du traité de 1860, en attribuant même, au dire de certains hommes politiques espagnols, à l'Espagne une zone d'influence méridionale, en face des Canaries, analogue à celle du Maroc Septentrional et s'étendant du Cap d'Aguer à la colonie du Rio de Oro; cette dernière assertion est d'ailleurs sujette à caution. A la Conférence d'Algésiras, les délégués espagnols réservèrent expressément les droits de leur pays sur Santa Cruz, et cette réserve fut implicitement consignée dans l'article 123 de l'Acte général concernant les traités des Puissances signataires avec le Maroc. Enfin, comme le rappelle une récente note officieuse, les ambassades de MM. de Llaveria à Rabat et Merry del Mal à Tanger traitèrent avec le Sultan cette question, qui fut reprise avec les envoyés chérifiens à Madrid, El Mouaz et El Mokri. Une convention fut négociée entre El Mokri et le Ministre d'État actuel, M. García Prieto, en novembre 1910, à la conclusion de laquelle contribuèrent efficacement les représentants à Madrid de la France et de l'Angleterre. Les ratifications en furent échangées à Paris; cette convention stipulait que la remise de Sainte-Croix-de-Mineure à l'Espagne aurait lieu le premier mai dernier par les soins des commissaires marocains et espagnols désignés à cet effet.

En conséquence, le Gouvernement espagnol délégua son consul à Mogador, M. Sostea, mais le Makhzen s'abstint d'en faire autant et répondit aux réclamations verbales et écrites adressées à El Mokri par M. Pérez Caballero le 4 mai, puis le 28 juin, qu'il était disposé à remplir cet engagement, mais que les circonstances l'en avaient empêché. Entre-temps, une reconnaissance opérée à Ifni par une canonnière espagnole, venue des Canaries, avait—d'après les informations de presse de Madrid, car le rapport officiel ne fut pas divulgué—que le port était fort médiocre et la contrée presque sans ressources. Plusieurs journaux conseillèrent

alors d'y renoncer. Mais la démonstration allemande d'Agadir, à moins de 100 kilom. au nord d'Ifni, et les expéditions des agents des frères Mannesmann dans la région durent convaincre le Cabinet de Madrid de la nécessité de prévenir l'établissement d'une autre nation dans le voisinage des Canaries.

Aussi, dans le courant d'août, le Marquis de Villasinda, Ministre à Tanger, renouvela-t-il la réclamation espagnole auprès de Si Guebbas, en fixant comme dernier délai pour la nomination du commissaire chérifien chargé de la remise d'Ifni le 3 septembre."

N.B.—Pour comprendre et apprécier à sa juste valeur l'exposé ci-dessus il ne faut pas perdre de vue que cela a été écrit en 1911 au moment de l'affaire d'Agadir.

DU "PROGRÈS DE FEZ."

[W 4900/33/28] No. 22.

Consul-General Edmonds to Sir John Simon.—(*Received May* 23.)

(No. 65.)

Sir, *Rabat, May* 16, 1934.

I HAVE the honour to transmit a copy of a despatch from His Majesty's vice-consul at Fez reporting on demonstrations which occurred last week during the Sultan's visit to that city. Mr. Ellison considers that the French authorities made a mountain out of a mole-hill. The remembrance of massacres and the ever-present feeling that Fez is the focus of political agitation may have led them to over-estimate the seriousness of the occurrence, but to my mind it is far from insignificant.

2. The young Moors have for some time been trying to use the Sultan as a stalking-horse. Last autumn they tried in Rabat to organise celebrations of the anniversary of his accession, but the French managed to keep him out of Rabat for that day and the scheme fell through. Last week the agitators were more successful. Although the feelings of the Moors for their present sovereign usually amount to little more than the indifference with which they might be expected to regard a puppet, it is clear that on this occasion the agitators had worked the crowd up to something approaching enthusiasm. The youths—who are always in the forefront of the agitation—tried, so I am told, to carry him in triumph to the mosque and were deterred, not by any gesture of the Sultan himself, but by a native official who grabbed a policeman's truncheon and laid about him. Whatever may have passed between the Sultan and M. Helleu, the *délégué*, who is acting for the Resident-General, I gather that M. Helleu had to be very firm with His Majesty. It is the Sultan's own attitude, I suspect, which now worries the French as much as the activities of the agitators. If, abandoning his previous docility, he is now going to play into the agitators' hands, the agitation will gather much more way. Even the other day it went further as an anti-French demonstration than it has gone hitherto. As Mr. Ellison has learnt since writing his despatch, the French flag was certainly pulled down from a Jewish shop and trampled on. There were certainly shouts of "à bas la France" and of other things to that effect.

3. During the last twelve months the agitation has received more and more support from Communists and extreme Socialists in France. Under the Herriot régime the ban was lifted from the *Maghreb*, a monthly published in Paris by R-J. Longuet for the discomfiture of the Residency-General. A local weekly, the *Action du Peuple*, is now published at Fez by young Moors in French (in Arabic only an official paper is allowed). The local agitators are in touch with other Islamic agitators in Switzerland, Spain and Egypt. The French suspect that they receive support not only from Moscow but also from Berlin and perhaps Rome. But in spite of all this, as soon as he took over the reins last autumn, M. Ponsot began to exert a very happy influence on the natives. He made it clear that he intended to pay more than lip-service to their interests and to associate them gradually with the administration of their own country. It may be that the very prestige which he was beginning to acquire determined the agitators to redouble their efforts. In any case the French are unanimous that they must

now be "firm," and it is to be feared that the ensuing firmness may amount to repression at the very moment when both justice and expediency seem to point urgently to a more liberal policy.

4. I am sending copies of this despatch (without enclosures) to His Majesty's Ambassador in Paris and His Majesty's consul-general at Tangier.

I have, &c.

W. S. EDMONDS.

Enclosure in No. 22.

Vice-Consul Ellison to Consul-General Edmonds.

(No. 36. Confidential.)

Sir, *Fez, May* 14, 1934.

I HAVE the honour to report that His Majesty the Sultan arrived in Fez in the late afternoon of Tuesday the 8th May, and had a magnificent reception. The consular corps was presented to him on his arrival, and was received in the Grand Mechouar, along with the civil and military authorities, the following morning.

2. The day before the visit Colonel Noel, of the Affaires indigènes, called to see me with regard to a report that disaffected persons were preparing an anti-French demonstration, and that British subjects and semsars were to be in the forefront and to take the blame. I expressed doubt, but sent for the two persons he named, and advised them, if anything of the kind was in the wind, to keep carefully out of it. They assured me that they knew nothing of it, and in view of what subsequently happened I believe their assurance.

3. On Thursday morning His Majesty went down to the Medina, where he was met by the Basha, and again had a tumultuous reception, which seems to have pleased him greatly. A handful of "politically-minded" young people gathered near the offices of the *Action du Peuple*, and tried to approach His Majesty with cries of welcome. There is no confirmation of the rumour that they cried: "A bas la France!" The police seem to have made some attempt to prevent them from approaching, but there was nothing worth calling a disturbance. The British semsars were involved.

4. The same evening certain persons (I believe the same) asked General Marquis for an audience with the Sultan. It is not quite clear that they actually saw him that evening, but at any rate they expressed their intention of greeting him at the Karouin Mosque the following morning, and presenting a petition.

5. As regards what followed I have had two reports, each coming at second hand from a person in the entourage of the Sultan. It seems that General Marquis (or possibly M. Helleu, who was urgently sent for from Rabat) asked the Sultan to order the imprisonment of the "ringleaders." His Majesty refused, as they had done nothing wrong. He was then told that in that case it would be inadvisable for him to go to the Karouin the following day, and better that he should pray at the Boujeloud Mosque. He replied that he would rather leave Fez, if his presence there was going to cause disturbance. Discussions went on until the small hours, but both sides maintained their attitude, and His Majesty eventually left for Rabat at an early hour on Friday morning.

6. The wildest rumours are afloat in the New Town. The Basha was hustled (or alternatively was one of the demonstrators); the French flag was torn down and trampled on; Frenchwomen are not safe in the streets. There does not seem to be the slightest foundation for any of these stories. The Medina takes a saner view of the matter, the chief feeling being one of intense disappointment; thousands of persons were waiting in the streets on Friday morning to see the Sultan.

7. It is clear that, but for the action of the French authorities, no serious trouble was to be feared. Why they made a mountain out of a mole-hill is not so easy to say. It is true that Frenchmen in May, with memories of the Berber Dahir, are inclined to exhibit the nervous excitability of hares in March. But even so the affair was so stupidly handled that I am almost driven to consider the alternative explanation, advanced in some circles; viz., a Machiavellian policy on the part of the military with a view to prolonging their rule in Fez by showing that it is not safe to entrust it to civilian government.

8. On the whole, I think the most likely explanation is that the French, thinking prevention better than cure, insisted on the imprisonment of the demonstrators, never dreaming that the Sultan would refuse. When he did, they were in a dilemma; matters had gone too far, and they were unable to withdraw gracefully. This is my own private theory, and may be quite wrong.

9. The net result has been to enhance the Sultan's already great prestige in Fez, and to increase, if possible, the unpopularity of the French. His Majesty is the one person who has come well out of the affair. His decision was both discreet and statesmanlike, and, great as is the disappointment which it has caused, it has undoubtedly eased matters so that the agitation may be expected to die a natural death.

10. I would add that on Friday a number of notables (including some British semsars) who had not taken part in the demonstration, sent telegrams to M. Ponsot and others. The terms of these seem to have been unexceptionable, consisting merely of a denial of false rumours and an affirmation of friendship for France.

I have, &c.
R. ELDON ELLISON.

[W 8873/33/28] No. 23.

Consul-General Bullard to Sir John Simon.—(*Received October* 6.)

(No. 115.)

Sir, *Rabat, September* 18, 1934.

YOUR despatch No. 114, dated the 9th August, which I had the honour to receive some little time ago, transmitted an opinion by Mr. Dicken, British Assistant Administrator of Tangier, on the security of the French Zone of Morocco. In spite of the shortness of my stay in this country I do not hesitate to describe this opinion as unduly pessimistic. That there is some nationalist feeling cannot be denied—the recent demonstration at Fez, on which Mr. Edmonds reported in his despatch No. 65, dated the 14th May, is evidence of it. But there is nothing to show that this feeling is very strong anywhere except in Fez and perhaps among the young Moors of Rabat-Salé. This corresponds with experience in other countries, where it is among the young, educated people that the nationalist movement finds its first adherents. Alive to this danger, and warned, as they themselves say, by the example of India, the French have so framed their education policy as to avoid the mass-production of young men seeking employment, often vainly, in the public services and the learned professions. This roused some resentment at first, being interpreted as an attempt to restrict the Moors to more or less menial employment; but according to the statistics there has been during the last few years a rush to receive education on the official terms, modified very slightly to meet local objections. The reluctance of the authorities to issue passports to young Moors who wish to go abroad to study in schools not under French control is also a cause of resentment, but this affects a very small class, and it may be doubted whether, from the point of view of public order, that resentment is as dangerous as the return of numbers of young men after some years spent in Cairo or at the American college in Beirut. Similarly, for a country in the stage in which Morocco is at present, the system of press restrictions will probably be more effective in preserving order for many years to come, than one giving the young nationalists "safety-valves" in the form of a vernacular press. It will be remembered that no Arabic newspaper that is not official may be published in the country.

2. Mr. Dicken makes the statement that the Moors are a strong, virile and warlike race. This is on the whole true, but it hardly applies to the town Moors, who at present provide the only vocal nationalist element. It is among the most warlike sections that the French find the most contented people, and out of them that they hope to create an army that will be not less loyal than similar bodies in other French territories. Our own experience provides some ground for this hope. It is not the formerly turbulent tribes of Iraq that abuse the British Government, but the far from virile and warlike effendis of the town; and the contrast between the politically-minded Bengali and the relatively "backward" fighting races of India is too well known to need more than a passing mention.

3. It is not to be expected that Communist agitators would neglect this country, especially as there is a strong Communist element in France itself. But

here again the most suitable material to work upon is lacking, viz., large bodies of industrial workers. Not only is the factory worker more accessible to new ideas, but the fact that he is in daily contact with many others with the same grievances as his own facilitates the spread of discontent, and makes the adoption of violent measures much more likely than in the country, where distances are great, contact is difficult, and the grievances are frequently dissimilar in different parts. The problems of hours, wages, fines, truck, and so on may be complicated enough for employers to deal with, but the formulation of common demands about them by the workers in a given industry is relatively easy; but it would be difficult to draw up a common plan of action for sections of the agricultural population interested respectively in wheat, sugar-cane and early vegetables. According to the census of 1931 there were then only 14,546 workers distributed among 734 industrial enterprises, and even if they were all, as most of them are, in the one manufacturing centre (Casablanca), and were all Moors, they would still afford a relatively small field for propaganda. The peasant has his grievances, and some of them, especially those founded on the penetration of the foreign "colon," should be fertile soil for Communist propaganda; but at the best there is not the field for the propagandist that there is, for instance, among the mill workers of Bombay.

4. It is not necessary to share the opinion of the high military authority mentioned by Mr. Dicken, who doubted whether France would be holding her position here five years hence, to admit that the French are very sensitive to opinion among the Moors. As I reported in my despatch No. 96, dated the 13th August, it was fear of trouble among the slipper-makers of Fez that led to the dahir prohibiting the importation of foreign-made slippers of Moroccan type. Then it is well known that the desire of Marshal Lyautey that his body should be buried in a place in Rabat of historical interest to the Moors has given the Administration here ground for much anxious thought. The nationalists have already expressed resentment at the proposal, and the Administration have either to risk attacks from that quarter, or to admit defeat, and either to refuse to have the body buried in Morocco at all or to offer a site in some Europeanised part of Morocco such as the late marshal would have scorned. The Administration have to think about propaganda from abroad as well as that of local production. They have recently had confirmation of the suspicion to which Mr. Edmonds referred in his above-mentioned despatch, that Berlin at least takes part in propaganda in Morocco. A German legionary, who boarded a German cargo-boat here—quite possibly sent as an *agent provocateur*—was given on board a bundle of German-printed propaganda in French, some of it, I am informed, definitely composed for consumption in French territories abroad. But all possible sources of such propaganda are closely, and I should think effectively, watched.

5. If a war in Europe compelled France to denude Morocco of troops, trouble might well break out here. The temptation to return to old habits of disorder and plunder would be great, and it would doubtless be aggravated by propaganda from the enemies of France, who would not fail to remind the Moors (not, probably, that they would need a reminder) how Marshal Lyautey kept them quiet by bluff throughout the Great War. But short of a strain due to war or of a steep and wide-spread accentuation, such is not expected, of the economic crisis, it seems probable that things will move much more slowly that Mr. Dicken thinks. The French certainly consider that the last campaign has made their task much easier, and the growth of railways and roads is a permanent weapon in their hands.

6. It would be interesting to speculate upon the remoter fate of the French zone, to weigh up, for instance, nationalism against colonisation on the one hand and "berberisation" on the other; but not only is such an examination far beyond my present knowledge, but it would also go beyond the task which you, Sir, set me, viz., to give my views on the opinion expressed by Mr. Dicken.

7. I would add that this despatch was drafted before I had read Foreign Office memorandum, dated the 28th December, 1933, respecting the French protectorate in Morocco.

I have, &c.
R. W. BULLARD.

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FURTHER CORRESPONDENCE

RESPECTING

MOROCCO

PART 73

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Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Morocco.

PART 73.

Chapter I.—TANGIER ZONE.

[W 10022/196/28]

No. 1.

Sir John Simon to Sir G. Clerk (Paris).(1)

(No. 15.)

Foreign Office, January 2, 1935.

Sir,

I HAVE to transmit herewith a copy of a despatch, No. 185(2) of the 20th September last, addressed to His Majesty's consul-general at Tangier, requesting a considered report on the working of the international administration of Tangier, with special regard to the fact that the Paris Convention of the 18th December, 1923, is due for renewal in May 1936 and that under article 56 any request for the revision of the convention must be made before November 1935. In this despatch Mr. Gye was asked for his views, not only as to the eventual attitude of His Majesty's Government towards the possible revision of the Tangier Convention, but also as to the attitude of other Powers thereto, and on this latter point Mr. Gye has now forwarded his observations in his despatch No. 141 of the 10th November, a copy of which is also transmitted herewith.(2)

2. It will be observed that Mr. Gye points out that, if the signatory and contracting Powers alone, *i.e.*, United Kingdom, France, Spain and Italy, are to take part in negotiations for revision of the statute, their interests and intentions towards Tangier may prove so conflicting that no useful purpose would be served by demanding revision. If, on the other hand, the acceding Powers, *i.e.*, Belgium, the Netherlands, Portugal and Sweden (which is not mentioned by Mr. Gye), can also participate in the negotiations, the balance of opinion would probably be in favour of any policy of reform of which His Majesty's Government would be likely to approve.

3. The question of which Powers would have the right to participate in negotiations for the revision of the Tangier Statute has been examined in this Department, and I am advised that, although in principle it would seem that any Power party to the Tangier Statute, whether by signature or accession, might on request participate in negotiations for revision (because accession in general makes the acceding Power a contracting party), the fact that the revision of the Tangier Statute in 1928 was agreed upon only by the three original contracting Governments, *i.e.*, the United Kingdom, France and Spain as signatories of the convention of 1923, in common with the Italian Government, who were then and there recognised as becoming a "contracting party" to the said convention as thus revised, establishes a precedent which will doubtless be maintained in any negotiations for revision in 1936, unless these four contracting Powers agree to invite the four acceding Powers to participate therein. Such

(1) Also to His Majesty's representatives at Madrid (No. 4) and Rome (No. 5), *mutatis mutandis*.
(2) Not printed.
(3) Part 72, No. 7.

an agreement would seem unlikely, for, as implied by Mr. Gye, at least one of the four Powers, *i.e.*, France, would have nothing to gain by inviting the acceding Powers to participate in these negotiations.

4. In view of the above considerations, it appears at first sight doubtful whether any useful purpose would be served by His Majesty's Government giving notice of revision of the statute, but before further considering this matter I shall be glad if your Excellency will endeavour to ascertain and report to me the views of the Government to which you are accredited regarding the possible revision of the Tangier Statute, bearing in mind the provisional forecast of their views as given by Mr. Gye in paragraph 4 of his despatch of the 10th November.

I am, &c.

JOHN SIMON.

[**W 126/126/28**] No. 2.

Mr. Gye to Sir John Simon.—(*Received January* 4, 1935.)

(No. 162.)

Sir, *Tangier, December* 28, 1934.

IN my despatch No. 141 of the 10th November last, I had the honour to treat one aspect of the question of revising the Statute of Tangier. In the present despatch, I propose to give a short account of the political ills from which the present international régime suffers.

2. The Convention of Paris provides for two entirely separate systems of government in the Tangier Zone. The Moroccan natives are administered by, and come within the jurisdiction of, the Mendoub. This official, appointed by the Sultan, is aided by a Frenchman also appointed by the Shereefian Government. It will thus be seen that by far the greater part of the population does not fall within the compass of the International Administration, but constitutes a direct French interest. On the other hand, the International Administration imposes such taxes, within the limits of the treaties, as it sees fit, on the native as well as the European inhabitants of the zone.

3. Between these two separate systems of government there are two bonds of union: (*a*) Moroccan representatives on the Assembly, and (*b*) the Mendoub's position as the Sultan's representative, under whose authority he is entrusted with various acts of sovereignty.

4. In regard to Moroccan representation on the Assembly, I have two conflicting observations to make. In the first place, the number of these representatives does not adequately reflect the size of the native populations, nor the importance of their economic interests in Tangier. On the other hand, the voting power of the Moroccan representatives, owing to the fact that they are justiciable by the Shereefian courts, constitutes an added support to the already dominating position of the French. Of this, the French have from time to time taken advantage, though on account of the growth of nationalistic outlook among the Moors it is not certain how long it will be before they refuse to obey French instructions and demand greater representation in the administrative machine. This subject I propose to treat in a later despatch.

5. In regard to the second link uniting the two Administrations, viz., the Mendoub's position as the Sultan's representative, I have no comment to make except that his (or the French) interpretation of his powers of expulsion has from time to time brought him in conflict with the representatives of various Powers; and also that the uses he makes of his position of authority, although truly oriental, are uncurbed by the French.

6. The position thus defined is obviously unsatisfactory, though for the French it is a vital interest, which is theirs by virtue of various treaties, culminating with the Convention of Paris. In the course of the negotiations for any eventual reform of the International Administration, a feint attack might be made on this position, in order to secure advantages elsewhere.

7. The main point of this despatch is, however, the faults observed in the International Administration, which has now been in existence some ten years. The political principles underlying the Tangier Administration are democratic government and representation in that Administration by nationality, and it is

to the breakdown of these principles in their application to Tangier that most of the local evils can be ascribed.

8. It is, of course, in the Legislative Assembly where democracy has had its great opportunity. This body is composed of delegations from the signatory and adhering Powers in alleged proportion to their interests in Tangier, together with a delegation representing the Moroccan Jews and Moslems. These delegations are nominated to their offices by the Powers concerned, including the Moroccan delegation, which is nominated by the Mendoub. While I think that the system so far described is better than any system of election by the exercise of the ballot, yet in its application to Tangier the democratic system has broken down. In a small place like Tangier, it is extremely difficult to find delegates who can afford to be independent and follow the dictates of their conscience without thought of reprisals or rewards to be awaited for in the course of their daily avocations. The leaders of the French and Spanish delegations are lawyers practising at the bar of the Mixed Court, the budget of which body (including the salaries of the magistrates themselves) they are called upon to sanction. Furthermore, owing to the lack of better material, practically every delegation contains one Tangier Jew, in addition to the official Jewish representatives on the Assembly. This feature also presents difficulties, of which the following episode is an illustration. In examining the budget for the office of the Receiver of Taxes, a Jewish delegate proposed that the post of one clerk of the sixth class be suppressed. The only post of this category was filled by a Jewish friend of his, who wanted to resign to take up a better appointment in Casablanca. If he resigned, however, he received only his month's pay for the last month during which he worked. If, on the other hand, his post was suppressed, he received six months' wages as compensation.

9. To add to the complications of an Assembly recruited from such people, there is the effect of nationalism. In a world swayed by nationalism, it is not to be expected that Tangier, the meeting point of so many nationalities, should be different from the rest of the world. Indeed, it is not so, for the Assembly, as is the case with other Tangerine organisations, is swayed by nationalistic passions. The result is that, if a certain member of the Administration is to be promoted for good service, half-a-dozen others of the remaining nationalities have to be similarly rewarded, to keep the balance. The net result of this interplay of parochialism, of self-interest and of nationalism is that the Legislative Assembly is venal, wasteful and frivolous.

10. In the Administration proper and in the Mixed Tribunal the effects of representation by nationality are very apparent. The present Administrator, M. Le Fur, is a Frenchman, seconded from the French Zone. While in office he has been known to display a marked partiality for French interests, notably those of the Shereefian Government. Of the three Assistant Administrators, only Mr. Dicken has shown himself to be above following a nationalistic policy. In addition, the function of Director of Finance, which he occupies, is the only really full-time employ of that grade. The Italian Director of Judicial Services and the Spanish Director of Hygiene, &c., are both intensely nationalistic, and neither post could be justified on the grounds of efficiency. The same tendencies are noticeable in the lower ranks of the Administration. It will thus be seen that the Tangier Statute by insisting on the principle of representation by nationality has been unjust to Tangier for three reasons:—

(*a*) The number of employees is higher than it need be.
(*b*) These employees fight against one another, with consequent loss of efficiency.
(*c*) These employees tend to condone faults and irregularities by contractors and the general public of their own nationalities.

11. Unsatisfactory as the Administration may be, the Mixed Tribunal is probably still worse. Inefficiency here may be attributed to three factors:—

(*a*) The policy of representation by nationality;
(*b*) The adoption of a code of procedure which may be adapted to a large country, but which is ill-suited to a small State like Tangier; and
(*c*) Failure of the bench to keep the bar in order.

12. The number of magistrates employed by the Mixed Tribunal is seven, who represent five different nationalities and nearly as many national outlooks.

Of this number, two are "procureurs," who owe no allegiance to the Administrator or anyone else! and the rest are magistrates of the bench. Of the total Tangier population of some 50,000, not more than 15,000 are justiciable by the Mixed Tribunal. The proportion of one magistrate to every 2,000 head of population would seem unduly high. The magistrates, many of whom do not work more than twenty hours a week, contend that their numbers are justified. In that case, the remedy seems to lie in a simplification of the codes of procedure, considerably extending the scope of summary jurisdiction and by a transfer to the Assistant Administrator in charge of Judicial Functions of that portion of the court work to which he is entitled under the terms of the 1928 Protocol.

13. From the foregoing general sketch of the situation here, it will be observed that there is a very great deal of the organisation which needs overhauling. Such a drastic revision may well prove impossible to effect without disputes between the nations concerned, which may well result in evils which would have more widely felt effects than those to be healed. Discussion of this aspect may, however, be left to a subsequent despatch.

I have, &c.
ERNEST F. GYE.

[W 300/126/28] No. 3.

Mr. Gye to Sir John Simon.—(*Received January* 11, 1935.)

(No. 163.)

Sir, *Tangier, December* 31, 1934.

WITH reference to my despatch No. 135 of the 26th October, 1934, and your telegram No. 13 of the 29th instant, I have the honour to report that the Tangier budget for 1935 has been duly passed, and will become operative on the 1st January.

2. As in previous years, the French and Spanish Zones offered to come to the aid of the Tangier Zone in order to balance the budget. Their offers were for the same amounts as last year, and the conditions attaching thereto were similar. The Committee of Control, when considering the budget, decided to follow last year's example and accept the subventions.

I have, &c.
ERNEST F. GYE.

[W 534/126/28] No. 4.

Sir E. Drummond to Sir John Simon.—(*Received January* 18.)

(No. 32.)

Sir, *Rome, January* 10, 1935.

WITH reference to your despatch No. 5 of the 2nd January last, I have the honour to inform you that a member of my staff called this morning on Count Zoppi, the acting head of the African Department of the Italian Ministry for Foreign Affairs, and enquired of him unofficially and orally what would be the Italian views regarding a possible revision of the Tangier Convention. Mention was made of the likelihood that, if the signatory contracting Powers alone were to take part in the negotiations for the revision of the statute, their interests might prove so conflicting as to make any discussion useless, and of the possibility that, if they were joined by the acceding Powers, there might be a balance of opinion in favour of a policy of reform.

2. Count Zoppi replied that, as the Embassy would certainly be aware, the Italian Government did not much care for the present régime in Tangier, and was always trying to secure a larger Italian representation. Nevertheless, the present statute did work, even if in rather an unsatisfactory manner; and he had little doubt that the Italian Government would desire its continuation, though they would probably from time to time still raise questions regarding its application. He agreed that a meeting of the four signatory and contracting Powers would serve no useful purpose whatever. Further, he did not believe that, even

if the acceding Powers also participated in the negotiations, the result would be much better. All things considered, it was extremely unlikely that the Italian Government would make a request for revision before November of the present year.

I have, &c.
ERIC DRUMMOND.

[W 1077/126/28] No. 5.

Sir G. Grahame to Sir John Simon.—(*Received February* 5.)

(No. 64.)

Sir, *Madrid, January* 30, 1935.

I HAD the honour to receive on the 17th instant your despatch No. 4 of the 2nd January respecting a possible revision of the Tangier Statute and desiring me to endeavour to ascertain the views of the Spanish Government with regard to this question.

2. There had been no indication that this subject was occupying the attention of the Spanish Government, and I felt that it would be unlikely that, without giving some notice, I should obtain any information from the Ministry of State. I therefore requested the counsellor of His Majesty's Embassy, who was to see the Under-Secretary of State about another matter, to mention to him that I had remembered that, if it were desired to revise the statute, notice would have to be given during the current year; that I was anxious to be able to study the question, and that I proposed to ask for some information with regard to the attitude of the Spanish Government thereto when next I saw him.

3. Sr. Aguinaga replied to Mr. Snow that the Spanish Government had not yet examined the question; as he doubtless knew, they were not satisfied with the present position, but doubted whether they could obtain anything better. He asked whether His Majesty's Government had any views, and Mr. Snow answered that he did not think that they had seriously considered the question as yet.

4. Since this conversation the question was raised, as reported in my despatch No. 62 of to-day's date, in the Cortes by Sr. Goicoechea, when the Minister of State made a statement about the interest of Spain in any future negotiations respecting the Mediterranean; and, as I observed in my above-mentioned despatch, this occurrence may cause the Spanish Government to go into the question at an early date.

5. I propose shortly to make further enquiries, and I hope by that time that the Minister of State may be in a position to say something more definite.

6. It struck me some years ago, from the language of officials at the Ministry of State, that that Department was not averse to Italy being encouraged to take an interest in Tangier, as they seemed to think that such interest might militate against the increasing supremacy of France.

7. I beg leave to enclose some information published in the *Sol*, which was received from the Spanish telegraph agency "Febus" at Tangier respecting an incident in which a Spanish industrialist suffered at the hands of a local police agent. Comments were made by the "Febus" correspondent with regard to the unsatisfactory position of Spain in Tangier and to the necessity of a remedy being found if and when the statute were revised.

I have, &c.
GEORGE GRAHAME.

Enclosure in No. 5.

Translation of a Telegram from the Febus Agency.

Tangier, January 28, 1935.

THE attack, of which a Spanish industrialist was the victim, at the hands of a police officer has once again brought out the lack of authority and the irregularity noticeable here in the matter of police control. It is a matter of comment that it is always Spaniards and things Spanish which have to endure the consequences of the misconduct of the police. The necessity that the command

of the local police should be in the hands of a Spaniard, in view of the large number of our colony and the importance of their interests, is likewise manifest. This is a subject which, so it is thought here, Spain should bring up at the coming revision of the Statute of Tangier, for it concerns not a question of political hegemony, but of real need. Above all, the repetition of such an experiment should be avoided, as was the entrusting of the command of the police to a British official, who, having come from the Indies, was ignorant both of the Spanish language and of Spanish customs, and who thought that the same procedure could be applied here as was applicable in those British colonies. The experiment cost the Spaniards of Tangier many unpleasantnesses. and even damages, which nobody and nothing has since made good.

[W 1183/1183/28] No. 6.

Mr. Gye to Sir John Simon.—(Received February 8.)

(No. 19.)

Sir, *Tangier, February 2, 1935.*

I HAVE the honour to transmit herewith my annual report on the heads of foreign missions at Tangier.

I have, &c.
ERNEST F. GYE.

Enclosure in No. 6.

Report on Heads of Foreign Missions at Tangier.

(* Reprinted from previous reports.)

**United States of America:* Hon. Maxwell Blake, Diplomatic Agent and consul-general.

Mr. Blake has been here since 1915, with the exception of the period between 1922 and 1925, which he spent in Albania and Australia. Owing to the fact that the United States have not adhered to the Tangier Statute, Mr. Blake holds himself aloof from the majority of the affairs which interest his colleagues. He clings tenaciously to every letter of the Act of Algeciras, and one pictures him as holding solemn meetings of the Conseil sanitaire, of which he is now the sole member, while the rest of us are sitting on the Committee of Control.

Though somewhat difficult to deal with, both Mr. Dicken and I have found that, if tactfully approached, he is always ready to discuss matters in which he or his nationals may be affected in a reasonable manner, and it must be admitted that he has placed no unnecessary obstacles in the way of the smooth working of the statute.

He is a man of considerable artistic taste, and has shown great skill in doing up the Legation buildings in the old town, which have for him a sentimental interest, as being the first house acquired by the United States Government for the accommodation of their representatives abroad. It seems doubtful, however, whether his successor, who will probably prefer to live in a more modern quarter, will appreciate the money which has been spent upon the reconstruction of the house.

He is married to a lady of Gibraltarian origin. (Rewritten in 1931.)

**Belgium:* Prince Reginald de Croy, consul-general, with personal rank of Minister Plenipotentiary since December 1931.

Prince Croy was counsellor of the Belgian Embassy in London for several years before coming here, and was, I believe, very popular there. He is a most agreeable colleague, and, although not brilliantly clever, has sound views on most questions. Unlike his predecessor, he is independent of French influence, and is, indeed, rather anti-French in his inclinations. He acted as president of the Committee of Control during the year following his arrival, and exercised the duties of the office with tact and discretion.

Princess Croy was a Ligne, and both she and her husband speak excellent English and are very socially inclined.

Prince Reginald and his wife, after having spent their first year in Tangier at a hotel, have succeeded in finding a home and are considerably happier. They are both very popular and in every way delightful and friendly colleagues.

Prince Reginald, having relinquished the presidency of the Committee of Control at the end of 1932, has not taken a very active part in the work of the committee since my arrival at the end of April, but he can be depended upon to back his views with vigour if he thinks the position under the treaties is being threatened. (Written in 1934.)

France: M. Xavier de Laforcade, consul-general since July 1934, with personal rank of Minister Plenipotentiary.

M. Pierre de Witasse left last summer on his appointment as French Minister at Cairo.

M. Xavier de Laforcade, his successor, arrived shortly after. He has held a post of Inspector of Diplomatic and Consular Posts and has seen service in the Levant and also China. He is married to an Englishwoman from Constantinople. I have not seen very much of them yet, as I went on leave shortly after their arrival, and a few days after my return they lost their eldest girl after a tragically short illness. They have not appeared socially since, but M. de Laforcade has presided at the meetings of the Committee of Control.

He is very agreeable and friendly, but he gives the impression of being a somewhat tired official, though this is no doubt, in part, due to his recent sorrow.

**Holland:* M. F. Gerth van Wijk, consul-general since January 1925.

M. van Wijk was previously consul at Moscow, Petrograd and Zurich. He is a sound and friendly colleague, and, though never assuming a prominent part in discussions, can be relied upon to take a reasonable and unprejudiced view of matters dealt with by the Committee of Control. He was given the Legion of Honour in 1927 on the recommendation of the French consul-general, ostensibly for his services on the Port Commission, on which he served until last year as representative of the Committee of Control.

He is married to a lady of Italian origin, and both he and his wife speak excellent English as well as several other languages.

They are pleasant and popular with everyone, but I must confess that I do not find them particularly interesting. (Written in 1934.)

**Italy:* M. Pelligrino Ghigi, consul-general, with personal rank of Minister Plenipotentiary since October 1932.

Although only in the early thirties, M. Ghigi was for seven years " chef de cabinet " to M. Grandi when Minister for Foreign Affairs, and he came here with an excellent reputation as regards both efficiency and charm of manners. He is certainly a man of distinct ability, endowed with plenty of tact, and he is likely to prove a valuable addition to the Committee of Control as well as to Tangier society.

M. Ghigi is tireless in his efforts to promote Italian interests in every possible way. He is an abundant talker and takes an enthusiastic part in the various sporting activities of the British colony.

He is very friendly to me personally, and up to a point he is always ready to work in close harmony with me.

He is not married. (Written in 1934.)

**Portugal:* M. Gastao Barjona de Freitas, consul-general since 1930.

M. Barjona came here as consul-general in 1928. He was transferred to Paris in the same capacity at the end of 1929, but returned to Tangier at the end of 1930, much to his satisfaction. He was for some time consul at Cardiff.

M. Barjona has suffered considerable ill-health during the year, but he was, none the less, able to indulge in a great deal of fussy inefficiency as president of the Cape Spartel Commission. His English is excellent, but it is often difficult to guess what he is talking about.

His American wife, who is never without a cigarette and a minute lap-dog, plays bridge. (Written in 1934.)

Spain: M. José Rojas y Moreno, consul-general, with personal rank of Minister Plenipotentiary since August 1934.

M. Jaime Montero de Madrazo left in the summer on appointment to Havana. It is rumoured that his departure was not unconnected with an excessive use of the Spanish "valise." Don Angel de la Mora succeeded him, but announced on his arrival that he had been appointed to the Vatican. He was about three weeks in Tangier. He, in turn, was succeeded by Sr. Don José Rojas y Moreno. He was in Montreal before he came here and speaks English and French fluently.

He is a great talker, and it seems likely, from the experience of the few meetings of the Committee of Control that he has attended, that these gatherings will prove of almost unbearable tediousness so long as he is here, as no subject of discussion is too trivial for him to drag in "the honour of Spain."

He is married and has various children, but his wife has been in Spain most of the time and I have not met her.

Brazil, *Denmark*, *Finland*, *Norway* and *Sweden* are represented by trading consuls.

[W 1228/126/28] No. 7.

Sir G. Grahame to Sir John Simon.—(*Received February* 11.)

(No. 76.)

Sir, *Madrid, February* 7, 1935.

I HAVE the honour to inform you, with reference to my despatch No. 64 of the 30th ultimo, that I had yesterday a conversation of some length with the Under-Secretary at the Ministry of State on the question of a possible revision of the Tangier Statute.

2. I started by observing that the Minister of State was to attend a meeting of the Commission for Foreign Affairs that afternoon, and that perhaps the question of Tangier would there be raised. Sr. Aguinaga replied that the members of the commission, who were reasonable and experienced men, would not expect the Minister to go into details on that subject.

3. I said that if any of the Powers concerned wished to proceed to a revision of the statute, notice would have to be given at latest in November of this year; and I enquired whether the Spanish Government were not already considering what course they would pursue.

4. Sr. Aguinaga remarked, in reply, that it was common knowledge that Spain had always felt that she had not obtained the position in Tangier which was due to her, seeing that the Tangier "enclave" was in reality in the Spanish Zone, and for various other reasons. These were "d'ordre général." Spain had other objections to the present state of things which concerned rather the details of administration. I asked whether these sentiments would be sufficiently strong to induce the Spanish Government to seek a revision of the statute. Sr. Aguinaga replied that it would be too much to say so at the present juncture. The Spanish Government would have to ascertain and take into account the attitude of other Governments, and consider what possibilities there were of obtaining a larger measure of satisfaction for Spain in any process of revision. In view of there being so many unknown factors in the matter, it was not feasible for the Spanish Government to take any decision at present.

5. I mentioned that at an earlier period I had had the impression that officials of the Ministry were not altogether averse to seeing Italy take more interest in Tangier; but Sr. Aguinaga was reserved on this subject.

6. He asked what were the intentions of His Majesty's Government, and I replied that, so far as I knew, the matter was under consideration, but that no definite course had been decided upon.

7. I was unable to obtain anything from Sr. Aguinaga more concrete than the foregoing, and my impression is that his words reflected the present attitude of the Spanish Government.

I have, &c.

GEORGE GRAHAME.

[W 1375/126/28] No. 8.

Sir G. Clerk to Sir John Simon.—(*Received February* 15.)

(No. 240.)

Sir, *Paris, February* 14, 1935.

IN your despatch No. 15 of the 2nd January you instructed me to ascertain the views of the French Government as regards the expediency, or otherwise, of embarking on the revision of the convention of the 18th December, 1923, which established the international régime in Tangier and which falls due for renewal, failing revision, in May 1936.

2. From oral enquiries made at the Ministry for Foreign Affairs (who, incidentally, agree with your opinion that any of the acceding Powers, as well as any of the original contracting parties, is entitled to raise the question), it is clear that a proposal to revise the convention would be viewed with considerable apprehension by the French Government. The Ministry fear that any attempt to do this at the present time would lead a number of Powers, notably Spain, Italy, and possibly Portugal, to endeavour to improve their individual positions by obtaining a larger share of the administration, and that any conference convened with a view to revision would therefore be faced with long and arduous negotiations of which the only outcome might be to create a good deal of bad blood. The Ministry appear to assume—with what justice I am unable to say—that, in the event of failure to reach agreement, the Tangier Zone would revert naturally to the French Protectorate.

3. If I may be permitted to offer it, my own advice is to let well alone. So far as Great Britain is concerned, the convention, in its present form, secures the essential in preventing Tangier from falling into the hands of any single Power. In your despatch to His Majesty's consul-general at Tangier No. 185 of the 20th September last, you allude to the desirability of placing the finances of the zone on to a sound basis. Whilst the present financial system undeniably leaves much to be desired, it is open to question whether it would be easy to improve upon it. In many respects Tangier is in a privileged position. It pays nothing, for instance, for a number of social services (education, hospitals, gendarmerie, &c.) which are normally a charge on the State. It can borrow money at 5 per cent., thanks to the backing of the French Protectorate, to which its credit is virtually assimilated. This, coupled with the fact that one way and another the protectorate spends considerable sums of money in Tangier, confers on the zone considerable advantages of which it might be deprived if its finances were placed on a more strictly international basis. It is true that the present system gives the French an unduly preponderant voice in the administration. If they chose to abuse it, they could no doubt obtain something like a stranglehold over the zone, but fortunately they have shown no sign of seeking that end deliberately, and I believe it to be their policy, for the present at all events, loyally to uphold the international administration.

4. If I am right in thinking that from the point of view of British interests there is no great advantage and possibly some risk in attempting to revise the convention, the same can certainly be said of French interests. Short of the full incorporation of the Tangier Zone in the protectorate, France could not easily improve her position in Tangier. She has at least her full share of the administration and, thanks to the financial situation to which I have just alluded, as well as to the prestige which she enjoys in Morocco generally, she is the predominant partner in the international régime. She cannot hope to improve her position as a result of the revision of the convention; indeed, the efforts both of Spain and Italy would be devoted to reducing her position by magnifying their own. Portugal also, as a Mediterranean Power, might well make a determined effort to secure a greater share of the administration. Her acquiescence in the revision of the convention in 1928 was only obtained with some difficulty and, if I remember rightly, she signified her intention of pushing her claims in a determined manner at the next opportunity. France would certainly resist all attempts to diminish her own position, and it is difficult, therefore, to see how any negotiation for revision could possibly succeed.

5. The fact that Belgium, the Netherlands and Sweden, in the event of the acceding Powers being admitted to the negotiation, might support any policy of reform advocated by His Majesty's Government would hardly weigh against the

more vigorous, and possibly less scrupulous, efforts of those Powers whose main objective would be the enhancement of their own position. It is even doubtful how far the support of Belgium could be counted upon. Is it not likely that France would find the means of securing Belgian support for herself?

6. Finally, is there not the danger that Spain, if she found she were unable, as would be the case, to improve her own position at the expense of the other parties to the revised convention of 1928, would be tempted to work for the failure of the negotiation in the hope of establishing her claim to administer the zone. The French Government, at least, have always believed, with some appearance of justification, that Spanish policy has been to render the international administration unworkable in the belief that the reversion might in that event fall to Spain.

7. The original convention was negotiated with great difficulty, owing mainly to French and Spanish rivalry. The revision of 1928, when Italy was associated with the three original contracting parties, was, if anything, more arduous. On both occasions the fiercest passions were aroused, altogether disproportionate in the eyes of an observer to the importance of the interests at stake. If the present system had broken down, it would be necessary to endeavour to reform it; but so long as it works, whatever room there may be for improvement, it would seem advisable not to embark on what at least would be a hazardous adventure, of which not the least dangerous feature would be the risk of producing a set-back in the improvement in Franco-Italian relations.

I have, &c.
GEORGE R. CLERK.

[W 1375/126/28] No. 9.

Foreign Office to Mr. Gye (Tangier).

(No. 52.)

Foreign Office, February 27, 1935.

Sir,

WITH reference to Foreign Office despatch No. 1 of the 2nd January, and to Sir George Mounsey's letter of the same date, I am directed by Secretary Sir John Simon to transmit to you, herewith, copies of despatches from His Majesty's Ambassadors at Paris, Madrid and Rome, reporting on the views of the French, Spanish and Italian Governments on the question of the possible revision of the Tangier Statute.(1)

2. The views of these Governments indicate such an unfavourable attitude towards a conference for revision, that Sir John Simon is inclined to the view that any proposal of this nature would prove to be impracticable. On the other hand, if the idea of such a conference is to be abandoned, it may still be possible to concentrate upon the financial position of the Tangier Zone, and to persuade the French and Spanish Governments to agree to a reduction of the fixed charges imposed on the zone by the statute, in order to stabilise the budget. The very reluctance with which these Governments appear to envisage a conference for the revision of the statute might, indeed, be made use of as a lever to induce them to put forward an offer for alleviating the financial difficulties of the zone. (The fixed charges which Sir John Simon has in mind in this connexion are the contributions of Tangier under articles 39 of the Tangier Statute to the service of the Morocco Loans of 1904 and 1910, and Tangier's share of the guarantee of the loans of the Tangier–Fez Railway, and the suggestion is that the French and Spanish Zones might agree to assume a portion of Tangier's liability. This might be done temporarily as a measure of grace without any amendment of the statute, or a protocol might be concluded by the Powers reducing Tangier's share in these obligations.)

3. It is realised that pressure for revision will come from the British community at Tangier, and that it will not be very easy to convince them that, for more general and important reasons of international relationships, it is undesirable for His Majesty's Government to raise the question. Such pressure is also being exerted by the League of Nations Union, and I am to transmit to you a letter from this body advocating revision of the statute in the direction of handing over the administration of the zone to the League of Nations.(1) It is

(1) Not printed.

extremely doubtful whether this can be considered a practicable proposition; moreover, it seems very doubtful whether control by the League of Nations would offer any prospect of removing the undoubted defects of the present régime, which arise from causes which might even be enhanced by the suggested transfer.

4. Before, however, it is decided finally to abandon the idea of proposing any far-reaching revision of the Tangier Statute, I am to request that you will formulate your considered views on the whole question, taking into consideration the additional information contained in the present despatch.

I am, &c.
MAURICE PETERSON.

[W 3249/126/28] No. 10.

Mr. Gye to Sir John Simon.—(Received April 12.)

(No. 50.)

Tangier, April 4, 1935.

Sir,

IN my despatch No. 141 of the 10th November last ("Further Correspondence respecting Morocco," Part 72, No. 6), I expressed the opinion that the interests and intentions towards Tangier of the signatory Powers, viz., United Kingdom, France, Spain and Italy, may prove so conflicting that no useful purpose could be served by His Majesty's Government giving notice of revision. This view has been confirmed by the opinions and information contained in the despatches from Paris, Rome and Madrid, copies of which you were good enough to send me under cover of your despatch No. 52 of the 27th February. Furthermore, since November last, there has been a great deal of talk locally of the Spanish intention to give notice of revision. Local rumour has it that Spain intends, while retaining the present Spanish appointments, to ask for the post of Administrator and an equal share with the French in the administration of the customs. Spanish policy is stated to aim at supplanting France as the dominant Power in Tangier. This may summarise the local Spanish attitude, and it does not follow that the Madrid Government will necessarily endorse it. I have, however, no doubt that considerable pressure is being put on Madrid to pursue a revisionist policy. Furthermore, owing to the general attitude displayed by the Spaniards in the Spanish Zone and here, I feel that Spanish interest in North Africa has quickened of late, possibly as a result of the Franco-Italian rapprochement in these parts.

2. In these circumstances, I am of the opinion that it would not be expedient for His Majesty's Government to give notice of revision of the Tangier Statute. In the first place, it is obvious from Paris despatch No. 240 of the 14th February that any attempt to secure a revision would involve His Majesty's Government in a dispute with France. Such dispute (apart from possible wider repercussions) would indubitably open the way to Spanish (and possibly Italian and Portuguese) demands which, if they were granted, might be worse for British interests in Tangier than the present situation. Furthermore, the course of the negotiations foreshadowed above would necessarily be long and the uncertainty of the outcome would be unfavourable to British land and other vested interests in Tangier. For these reasons, I endorse in principle the opinion expressed in paragraph 3 of Sir G. Clerk's above-mentioned despatch, to leave well alone.

3. Apart from the main question of revision, there are, however, two other questions of which the settlement would contribute greatly to the well-being of the international régime. One of these is the alleviation of the statutory and fiscal charges as suggested in your despatch under reference, while the other is the question of the reform of the Mixed Tribunal.

4. In regard to the financial question, I append a brief statement of the position (see Annex A). From this it will be seen that Tangier's annual expenditure is accounted for as follows:—

	Percentage.
(1) Final and statutory charges	28
(2) Cost of administration	50
(3) The rest	22

Furthermore, Tangier is already in debt to the neighbouring zones in the following manner :—

	Fr.
(*a*) Difference between the 500,000 fr. paid annually for the service of the Moroccan Loans and the actual charge (owing to French Zone) (approx.)	10,000,000
(*b*) Amount of the subsidies given by the French and Spanish Zones jointly for the last three years at 2,600,000 fr per annum	7,800,000
	17,800,000

In the present state of affairs(') there is every prospect of this debt increasing at the rate of 2,600,000+750,000 (approximately) per annum. This is obviously undesirable from all points of view (including that of His Majesty's Government), as a strong lien on the zone is being constituted, which may eventually endanger the international régime. In view of this fact and also taking into consideration the fact that some of the statutory charges appear unjust, I venture to support the suggestion contained in paragraph 2 of your despatch No. 52 of the 27th February last, that the reluctance of the Governments concerned to envisage a conference might be exploited as a means to securing an alleviation of these charges.

5. A further amelioration of the international régime which would appeal to British subjects domiciled here is a reform of the mixed tribunal, on the lines suggested in my Annex B. I am aware that such a reform cannot be effected without a modification of the codes, organic dahirs and the statute proper. I, therefore, venture to suggest for your consideration that His Majesty's Government might press the other three contracting Powers to announce their agreement in principle to a judicial reform, while making a formal announcement of the renewal of the present régime.

6. While I cannot pretend that the two above-mentioned modifications will entirely satisfy the British community's demands for revision, yet I am of the opinion that if the financial and judicial reforms indicated above can be attained, public opinion will in some measure be satisfied.

I have, &c.
ERNEST F. GYE.

Annex A.

Tangier Finances.

IN regard to the financial question, Tangier's annual expenditure of 23 million francs is expended in the following manner :—

	Fr.	
(1) Fixed and statutory charges—		
(*a*) Service of 1904 and 1910 Moroccan Loans (see also below) ...	500,000	
(*b*) Tangier–Fez Railway	1,300,000	
(*c*) Port Loans	4,500,000	
	6,300,000	(=28 per cent.)
(2) Cost of administration, including customs, tribunal and police	11,400,000	(=50 per cent.)
NOTE.—(1)+(2)=78 per cent. of total revenue.		
(3) The rest, including all cost of constructing new roads and their maintenance, and all other public works	5,300,000	(=22 per cent.)

It will, it is thought, be freely admitted that item 3 bears far too small a proportion to the total expenditure than it should do, even conceding the fact that Tangier has to pay no bill for education, and a reduced bill for medical services. It seems certain that item 2 (cost of administration), large though it is, cannot be further reduced, seeing that Tangier has, in principle, to play the

(1) See paragraph 2, Annex A.

part of sovereign State. There remains only the possibility of an alleviation of the fixed and statutory charges.

2. In regard to the Moroccan Loans (article 21), Tangier continues to pay the provisional charge of 500,000 fr., but the real charge was estimated by the Shereefian Government for the period 1925–31 to be about a million and a quarter francs per annum. No recent figures of this charge are available, so the same figures have been used in this memorandum. The difference has been debited to Tangier in a suspense account kept by the Shereefian Government free of interest. The amount of this suspense account is now in the region of 10 million francs. Tangier feels that it never derived any benefit from these two loans, and that any charge to Tangier on this account is unjust.

3. Similarly, the annual charge of 1,300,000 fr. for the Tangier–Fez Railway is resented. The population consider that the above charge is ridiculous, seeing that only 17 kilom. of the railway lie within the Tangier Zone. Furthermore, they argue that as the Tangier–Fez Railway was not completed until the middle of 1927, *i.e.*, after the completion of the competitive French Zone network, the spirit of the agreement has been broken. They further complain that they are being called upon to pay for a purely strategic railway, as its use by commercial traffic is impossible, owing to the barriers to inter-zonal trade erected by the French and Spanish Zones.

4. The service of the Port Loans also constitutes a hardship for Tangier. It is argued that a small State like Tangier should not be required to find, unaided, the whole of the amount for a port which is, or could be, of service to all three zones. It is further argued that the Convention of Paris saddled Tangier with half a port, whether the inhabitants wanted it or not, and, that being so, Tangier had to carry on with the construction of the port in order to reap any ultimate advantages.

5. In the past a scheme has been submitted to His Majesty's Government for the refunding of the Port Loans with the guarantees of the four signatory Powers. No progress has been made with such a scheme, though it would seem to offer certain advantages to His Majesty's Government. It is hoped that before 1937, when the Dutch Loan is redeemable, His Majesty's Government may be able to view this proposal with more favour.

6. Any possibilities for the alleviation of Tangier finances would, for the moment, seem to be confined to the Moroccan Loans and to the Tangier–Fez Railway. The French could, by a unilateral declaration, agree to waive all further claim to Tangier's share of the Moroccan Loans while cancelling the debit balance in the suspense account. The question of the reduction of the charge for the Tangier–Fez Railway is not so simple, as the railway is a joint Franco-Spanish undertaking. It would, however, seem to be possible for France (either jointly with Spain or unilaterally) to declare that in future only a fixed amount, much lower than the present sum, would be levied on Tangier. In the same way the loan constituted by the subsidy of 2,600,000 fr. granted for the last three years by the French and Spanish Zones might be cancelled. Thus, these financial ameliorations could be introduced without any modification of the statute.

Annex B.

Notes on Mixed Tribunal.

Of all the organs of the International Administration, the Mixed Tribunal is the most criticised from the point of view of efficiency.

2. The organic dahirs and codes in force in Tangier are far too ambitious and intricate for a small State like Tangier. In consequence, the number of magistrates is far greater than can be fully employed. As Tangier is poor, the rate of remuneration of the magistrates is comparatively low, with the result that personnel of an inferior type only are attracted to these posts. In consequence, the quality of justice suffers. This situation is aggravated by the fact that no magistrate, on appeal, likes to reverse the judgment of the lower court for fear of reprisals when his colleagues sit in appeal on his own judgments.

3. A further, and even more important defect is the difficulty experienced in securing the execution of judgment. This arises from two main causes: (*a*) The provisions of the various codes which permit of such delays that a case can drag on for as much as two years—during which period a man can dispose

of his assets with impunity; and (*b*) the fact that the court itself is responsible for the execution of judgments but does not take this part of its duty seriously. The number of clerks in the tribunal is limited and, owing to the fact that they must be selected by nationality, they are mostly inefficient. Besides being responsible for the execution of judgments, the "greffe" is responsible for all notarial duties, care of bankrupt estates, registration of companies, administration of the estates of minors, &c. In addition, each of the magistrates takes one of the "greffes" as a clerk to write out his judgments, &c., so that they have no time for their proper duty.

4. A further cause of weakness is that the two *procureurs* and, indeed, the whole tribunal are independent of the Administration. Thus they prosecute as and when they see fit, and it is freely stated in Tangier that a man's nationality is considered by the Spanish and French *procureurs* when deciding whether or not to prosecute. The Administration proper complains that it can get no support from the tribunal, while the police say it is useless to prosecute, as their complaints are ignored.

5. To render the execution of judgment still more uncertain, the judicial procedure provides that everyone appearing in the tribunal *must* be represented by an advocate. The possession of this monopoly has made the local barristers careless (to say the least), but the only body possessing any authority over the advocates is the Mixed Tribunal itself. This body shirks exercising its powers for "national" reasons and because their salaries are not fixed, but are subject to the pleasure of the Assembly. On this latter body advocates are well represented, the Spanish delegation of four comprising two advocates, while the French delegation is led by another advocate.

6. Without going into technical details, it is suggested that improvements might be made by adopting the following suggestions:—

(1) Amalgamation of the Public Prosecution and the Department of the Director of Judicial Services, together with the transfer to that department of all the judicial services, *i.e.*, responsibility for the execution of judgments, notarial service, probate and administration of wills, bankrupts, &c. Such a course would be in accordance with the 1928 protocol, and it would presumably be feasible for His Majesty's Government to insist on such a course. In doing so, Italian support would presumably be forthcoming. If judged expedient, Italy might be informed that the personality of M. Marchegiano, the present Italian Director of Judicial Services, is hardly one which inspires confidence in such a rôle.

It is considered that such an organisation would provide for the necessary connexion between the Administration and the Public Prosecutors and render the execution of judgments more certain. It would leave the tribunal only the responsibility for purely legal matters.

(2) Such an organisation would permit a reduction in the number of the magistrates. At present, there are five magistrates "de siège" and two "de parquet." The present judicial procedure (codes and dahirs) make these numbers necessary. To effect a reduction in the numbers (which would enable the quality to be improved with no additional cost to the zone) the procedure must be simplified. The key-note of these simplifications should be (*a*) the introduction of summary jurisdiction for the earlier stages, and (*b*) the insertion of provisions in the codes whereby, pending appeal, all fines in criminal cases and all judgment awards in civil cases are payable into court. The present system of "délais" encourages appeals and litigation in general—a state of affairs profitable to no one except the advocates, whose monopoly should be broken.

If these foregoing modifications are introduced, it is felt that the number of magistrates could be reduced to two, and that part of the resultant saving could be applied to increase their salaries and so attract a better class of magistrate. In addition, the present system of national "jurors" and "assessors" could be suppressed. This system has not been conducive to justice, because (*a*) magistrates have in many cases ignored the jurors and assessors, and (*b*) the latter have, in certain cases, wrongly attempted to override the magistrates.

(3) In regard to the Court of Appeal and Cassation, this might consist of a resident *judge* (as opposed to two *magistrates*), sitting with jurors or assessors, or by a visiting court of jurists from Europe or judges from the neighbouring zones and Gibraltar. Such an organisation of the Mixed Tribunal may be difficult to reconcile with the present system of representation by nationality. This latter system has, however, failed, and could be abandoned with no regrets. In order, however, to satisfy the *amour-propre* of the various countries, the resident judge and magistrates might be appointed from Holland, Belgium or the Scandinavian countries.

[W 3249/126/28]

No. 11.

Sir John Simon to Sir G. Clerk, Paris (No. 864), Sir G. Grahame, Madrid (No. 226), and Sir E. Drummond, Rome (No. 527).

Foreign Office, May 1, 1935.

Sir,

WITH reference to your Excellency's despatch No. 240 (No. 76) (No. 32) on the question of the possible revision of the Tangier Statute, I transmit to you herewith a copy of a despatch from His Majesty's consul-general at Tangier(1) in which Mr. Gye gives his considered views in response to the request made, and in the light of the information contained, in my despatch No. 52 of the 27th February (February 27, Section 1).

2. You will observe that the information as to the attitude of the other Powers concerned confirms Mr. Gye in the opinion he has previously expressed, that it would be inexpedient for His Majesty's Government in the United Kingdom to give formal notice of the revision of the statute, and he agrees with the suggestion that advantage should be taken of the reluctance of the Powers in this matter with a view to secure an alleviation of certain of the existing statutory charges of the Tangier Administration and a reform of the Mixed Tribunal.

3. I agree that in the circumstances a conference called as the result of a notice for revision given under article 56 of the statute, at which alterations of all or any of the articles of the statute might be proposed, offers small prospect of success, and I have come to the conclusion that His Majesty's Government in the United Kingdom should therefore be prepared to consider the alternative proposal outlined in the enclosed despatch from Mr. Gye.(1) This proposal does, of course, involve a limited amendment or revision of the statute, but by a different procedure, namely, that the Powers should agree to deal with one or two defined matters only, should endeavour to reach general agreement on the main lines of the improvements to be effected in these respects by diplomatic correspondence, and then make arrangements for a small meeting of suitable experts to draw up the text of whatever protocols or other instruments may be necessary in order to bring them into effect, in the same manner as the amendments of 1928 were adopted by the protocol of the 17th July, 1928.

4. Before, however, such an alternative is put forward, I have to request that you will approach the French (Spanish) (Italian) Government on the following lines:—

You should remind the French (Spanish) (Italian) Government that the Paris Convention of the 18th December, 1923, as amended by the Paris Agreement of the 25th July, 1928, is due for renewal on the 14th May, 1936, and that under article 56 of the convention of 1923 any request for revision must be made before the 14th November, 1935. The experience which has been gained of the working of the statute has brought to light serious defects in several respects, more especially in the financial and judicial spheres of the Tangier Administration, with the result that His Majesty's Government in the United Kingdom are bound to admit the dissatisfaction which they feel with the present position, and which is no doubt shared by the French (Spanish) (Italian) Government. You should conclude by asking whether the French (Spanish) (Italian) Government will be prepared to join in the revision of the statute at the appropriate time.

(1) No 10.

5. In view of the somewhat short period which is available before notice for revision becomes due next autumn, I shall be glad if you will, if necessary, press the French (Spanish) (Italian) Government at intervals for a reply to this preliminary enquiry.

6. If the replies which are eventually received from the Governments of France, Spain and Italy are of such a nature as to preclude the possibility of undertaking the general revision of the Tangier Statute by a conference called under article 56, His Majesty's Government will then have to consider whether they should propose that effect should be given to the alternative scheme, based on the proposals put forward by His Majesty's consul-general at Tangier, to secure an alleviation of the more serious hardships from which the Tangier Administration is at present suffering.

I am, &c.
JOHN SIMON.

[W 4201/126/28] No. 12.

Mr. R. H. Campbell to Sir John Simon.—(*Received May* 16.)

(No. 719.)
Sir, *Paris, May* 14, 1935.

I HAVE the honour to report that I called recently on the Director of African and Near Eastern Affairs and handed him a memorandum in the terms of paragraph 4 of your despatch No. 864 of the 1st May regarding the revision of the Tangier Statute.

2. Comte de Saint-Quentin received my communication courteously but with evident signs of dissatisfaction. He could not, he said, refrain from expressing regret that, despite the fact that the two Governments had worked harmoniously together since the institution of the international régime in Tangier, His Majesty's Government should have taken this step in the face of what they knew to be the views of the French Government. Where, he asked, would it lead? The statute was admittedly an imperfect document, but it was working on the whole as well as, or even better than, might have been expected in the light of the fact that the international régime was in itself an anomalous and wholly artificial expedient. Experience had shown how hard it was to obtain the objective consideration of any problem connected with Tangier and how violent could be the national passions aroused by what to an independent observer would seem to be an insignificant and easily soluble difficulty. It seemed to him, M. de Saint-Quentin confessed, a tremendous risk to reopen a settlement which had only been secured with untiring patience and great ingenuity.

3. Passing from the general to the particular, could we be certain, he asked, that Germany would not see in the notice of revision the opportunity to renew the intrigues in Morocco to which only the war had put a stop? Perhaps the risk under this head was not very great, but it could not be altogether excluded. Thanks to the improvement in Franco-Italian relations it was possible that Italy would not push her demands to the point of causing serious embarrassment, but she would certainly seek to expand the functions of the Italian administrator and perhaps be tempted to improve her position in other respects; in that event she would come into sharp conflict with Spain. The acceding Powers were an unknown quantity, but it was likely that Portugal, at least, would prove troublesome.

4. The principal danger, at all events from the French point of view, was to be anticipated from Spain. It must be remembered that Morocco was her one and only foreign question, and that her main object was to turn it to account for the enhancement of her prestige. There were indications that she was at present adopting a forward policy, and it was as good as certain that she would take advantage of the notice of revision to claim the administration of the natives. This France would resist at all costs; indeed rather than yield she would prefer to see Tangier completely absorbed into the Spanish zone. Unfortunately, at this moment Spain was both suspicious and jealous of the Franco-Italian understanding. She was seeking in every conceivable way to multiply and aggravate the causes of dissension between herself and France in the hope of creating a situation in which the French Government might be brought

to negotiate a general settlement similar to that concluded with Italy. A revision of the Tangier Statute would be a heaven-sent opportunity to push that policy to extremes, and the prospect, M. de Saint-Quentin said, was one which he viewed with the utmost alarm. He deeply regretted that His Majesty's Government had chosen this moment to stir up what might become a veritable hornet's nest.

5. After doing my best, none too successfully, to calm M. de Saint-Quentin's apprehensions, I drew his attention to the fact that the two matters in which His Majesty's Government were mainly interested to see the introduction of some reform were the financial arrangements and the Mixed Court; and I hinted that it might be possible to deal with these without going to the length of a regular conference convened for a full-dress revision of the statute. He replied that unhappily those were probably the two most thorny questions of all. As regards finance, the French Protectorate spent annually in the Tangier zone some 15 million francs—a figure not far short of the total Tangier budget. Any alleviation of the fixed charges devolving on the zone could only be at the expense of increasing that burden. The Protectorate authorities, who were already recalcitrant, would certainly go no further. Moreover, if the question were reopened it was probable that Spain would avail herself of the pretext to withdraw the financial concessions that had been wrested from her with such difficulty. In short there seemed little prospect of improving the financial situation, which after all was less desperate than that of many a country to-day, unless the other Powers interested in the maintenance of the international régime were prepared to assume a share of the burden.

6. As to the Mixed Court, I would remember personally, M. de Saint-Quentin said, how we had spent nearly two months in the spring of 1929 in trying to introduce the reforms which experience had shown to be desirable, and how in the end the attempt had had to be abandoned. He reminded me (unnecessarily, since my own recollection is as painful as it is vivid) how in an atmosphere charged with international animosity we had examined every combination that human ingenuity could devise, and how every one had sooner or later broken down on the Spanish claim that, in view of the geographical situation of Tangier, Spain, at least, must be represented on every degree of the judicature—in the parquet, the Court of First Instance and the Court of Appeal. Unless there had been a complete change of heart in Madrid—and everything went to prove the contrary—the same difficulties would once again frustrate our efforts. After all was said and done, the court was working after a fashion; indeed, thanks to the disappearance of certain personalities, it was actually working better than it had been doing previously to our unsuccessful attempt to reform it in 1929. It was, of course, cumbrous and in many respects imperfect. But, gladly as he would see it reformed, there was, at present, no ground to believe that we should succeed to-day where we had failed before.

7. After a final, unavailing, effort to draw him from the despondency, not untinged with irritation, into which my communication had plunged him, I asked M. de Saint-Quentin to let us have an answer, without undue delay, to the memorandum which I had left with him. This he promised to do.

I have, &c.
R. H. CAMPBELL.

[W 4268/126/28] No. 13.

Sir G. Grahame to Sir John Simon.—(*Received May* 17.)

(No. 299.)
Sir, *Madrid, May* 13, 1935.

I HAVE the honour to inform you that, on the receipt of your despatch No. 226 of the 1st instant respecting the possible revision of the Tangier Statute, I spoke to the Under-Secretary at the Ministry of State on the 10th instant in accordance with your instructions.

2. Sr. Aguinaga promised to give an answer later. I left an aide-mémoire with him, copy of which I beg leave to enclose.(1)

(1) Not printed.

3. As stated in my telegram No. 17, Saving, of to-day's date, a telegram from London which appeared in the evening press of the 11th instant made it appear that your reply to a question in the House of Commons meant that His Majesty's Government in the United Kingdom intended to give notice of revision of the statute. The *Debate* of yesterday's date published articles from the Marqués de Lema, Conde de Romanones and Sr. Yanguas, all ex-Ministers of State, who in the past were especially concerned with the question of Tangier based on the assumption that His Majesty's Government intended to give formal notice of a revision of the statute.

4. I beg leave to enclose summaries of these articles.(1) It will be seen that Conde de Romanones announced that he would interpellate the Government on the subject at an early date.

I have, &c.
GEORGE GRAHAME.

(1) Not printed.

[W 4327/126/28] No. 14.

Sir G. Grahame to Sir John Simon.—(*Received May* 20.)

(No. 307.)
Madrid, May 15, 1935.

Sir,

I HAVE the honour, with reference to my telegram No. 53 of to-day's date, to inform you that Count de Romanones made an interpellation yesterday in the Cortes concerning Spain's foreign policy, especially in regard to the Mediterranean question, Morocco and Tangier. He began by alluding to the Franco-Italian negotiations in Rome earlier in the year, which had preoccupied him at that time, but the Minister of State had then declared that Mediterranean questions had not formed the subject of discussion in Rome. He then went on to refer to the Mediterranean agreements of 1907 between Spain, England and France, saying that he was not sure whether Italy had not adhered to them without the fact being made public at the time. He enquired whether the Spanish Government considered that these agreements still retained their full validity. (Sr. Rocha nodded his head.) He then gave a lengthy account of Franco-Spanish negotiations in the early part of the century when Spain was on the point of being given a larger zone, including Fez and Tangier, but the negotiations had fallen through owing to a ministerial crisis in Spain. He also alluded to the Act of Algeciras, insinuating that its *raison d'être* had disappeared after the Treaty of Versailles had been signed, and observing that that Act was not necessarily endowed with immortality. He also referred to the negotiations concerning Morocco in 1912. He spoke of the unsatisfactory condition of the frontier between the French and Spanish Zones, saying that some territories were still occupied by the French which belonged rightly to the Spanish Zone. It was also necessary to obtain a proper frontier for Ifni, so that it should be in direct territorial contact with Cape Juby.

2. As regards the Tangier Statute, Count de Romanones enquired whether the Minister of State thought that it should be denounced, and, in such case, whether the Spanish Government had decided upon the modifications which they would seek. The present statute had placed Spain in a manifest condition of inferiority at Tangier. The Administration of that zone consisted of the Assembly, the Committee of Control and the Administrator. The Administrator had been French since the beginning. Spain had been unable to obtain that a Spaniard and a Frenchman should alternately hold the post. The Assembly was composed of a majority controlled by France, as was the Committee of Control. In the latter body, both France and Spain had four members, but it was necessary to add to the French members the six appointed by the representative of the Sultan. This meant in reality that they were appointed by France, so that Spain found herself in a position of having four votes against France's ten. The Tangier gendarmerie, the only thing which had remained to Spain, had been reduced by half; and recently Spain had lost the 2½ per cent. of the Tangier customs duties which she formerly received. In these circumstances, a rectification of the Statute of Tangier should, in his opinion, be sought; but he feared that other countries had been long preparing to denounce the statute and to secure advantages by the changes introduced. He pointed out that almost all the town

property of Tangier was in the hands of the English, one of them, viz., Lord Bute, held more than 30 per cent. This put the English in a very favourable position compared to Spain, for the 20,000 Spaniards in the town were all of the working-class engaged in the struggle to earn their daily bread. He complained also of the extent of the Tangier hinterland, from which sedition in the Spanish Zone had been fomented.

3. Count de Romanones devoted the end of his speech to observations about the danger to the Balearic Islands if war were to break out in Europe, and insisted that Spain must be in a position to enforce the observance of her neutrality. He considered that the only possible policy for Spain, in affairs concerning the Mediterranean, was one in harmony with England, France and Italy.

4. The Minister of State said, in reply, that he entirely shared the opinions of Count de Romanones regarding the maintenance of the *status quo* in the Mediterranean in agreement with England, France and Italy. In answer to the latter's question about the denunciation of the Tangier Statute, he observed that there was still plenty of time for consideration of that matter as a formal notice need not be given before the 14th November. He also agreed with him that the position of Spain under the statute was highly disadvantageous. Count de Romanones had said that England was going to denounce the statute. It appeared that such was her intention, but the Ministry of State had received no notice of such action. England (whose international policy was regarded with much sympathy by the Spanish Government) had not so far denounced the statute. It seemed rather that she wished to make observations respecting changes in the economic position and some other matters. The Ministry of State had been carefully studying the whole question. He ended his speech by referring to the attachment which Spain felt for the League of Nations, and alluded to the fact that one of the guiding lines of her policy was to be in close touch with the peoples of America who were of her blood. He concluded by stating that the questions which existed between France and Spain in Africa would be treated in accordance with the cordial relations which fortunately existed between the two nations.

5. Count de Romanones made a second speech, criticising in an ironical manner Sr. Rocha's remarks, and insinuated that he was ignorant of foreign affairs and did not give the House proper information. Sr. Rocha retorted that he had told the House that the Spanish Government felt a sincere sympathy for the international policy of Great Britain; that a solution of the Mediterranean problem would be found in agreement with France, England and Italy, and that the main lines of Spanish international policy had been publicly set forth in Geneva. He said that he had spoken of the fraternal relations with the Hispano-American nations, and he added a complimentary reference to Portugal. He thought that he had thus said all that was possible and necessary in the circumstances, and in any case did not intend to say more. Count de Romanones retorted that if that was all the Minister of State had to tell the House he did not know why the discussion of foreign affairs had been postponed for three and a half months.

6. Sr. Rocha made no allusion to Tangier in his second speech.

I have, &c.
GEORGE GRAHAME.

[W 4559/126/28] No. 15.

Mr. Gye to Sir John Simon.—(*Received May* 27.)

(No. 80.)
Tangier, May 22, 1935.

Sir,

IN amplification of my telegram No. 8 of yesterday's date, I have the honour to report that the meeting held on Monday, the 20th instant, which was attended exclusively by Moors, is now attributed by the French Controller attached to the representative of the Sultan in Tangier, the Mendoub, to the appearance some weeks ago of an article in a local paper, the *Mogrebi*, reviving a proposal put forward in 1914—but never pursued on account of the war—to bring the natives under the Mixed Tribunal. This article, followed by your reply to a parliamentary question, was taken to indicate a desire on the part of His Majesty's Government to interfere with the position of the natives in the Tangier Zone.

2. I am not convinced that this is the true version of what has happened. It is significant that my French colleague went on Thursday last with a small French deputation to Rabat, for the ostensible purpose of representing to the Resident-General the needs of the Tangier community. He left on Sunday for Paris, and I learn from two reliable sources that before he left, my Spanish colleague handed him a memorandum setting forth what Spain would ask for in the event of a revision of the statute. Among these demands were a Spanish Administrator, alternating with a French one, a share of posts in the Customs, and a dual control of native affairs.

3. While I trust that my visit to the Mendoub and the French consul yesterday may have the effect of minimising the damage done, I received a message from the Mendoub this morning to the effect that, while he would take ample measures to prevent any breach of the peace, he felt it would be wiser to allow a deputation, on a very small scale, to present their letter of protest on Saturday, as, were he to refuse to receive a protest now, the agitation might be renewed in a more dangerous form at the time of the feast of Moulud in about three weeks' time, when considerable unregulated excitement is the rule among the natives.

I have, &c.
ERNEST F. GYE.

[W 4646/126/28] No. 16.

Sir G. Grahame to Sir John Simon.—(*Received May* 28.)

(No. 322.)

Sir, *Madrid, May* 23, 1935.

I HAVE read with interest a despatch from Paris, No. 719, of the 14th instant, enclosed in your covering despatch to me, No. 273, of the 20th instant, in which His Majesty's Minister reports a conversation with Comte de Saint-Quentin, Director of African and Near Eastern Affairs at the Quai d'Orsay, regarding alterations to be effected in the working of the Tangier Statute.

2. I note that M. de Saint-Quentin received the proposals of His Majesty's Government in the most critical spirit, observing that a hornets' nest might be stirred up thereby. It did not seem likely from what he said that France would be at all helpful in any financial readjustments; and he spoke with pessimism about the feasibility of judicial reforms. After mentioning a possible opportunity thus offered to Germany for the renewal of her intrigues in Morocco, he pointed out the risk of Italian and Portuguese claims proving troublesome; but the principal danger was, in his opinion, to be anticipated from Spain.

3. His anticipations about the Spanish attitude have been to some extent justified by what has occurred here since news was received from London that His Majesty's Government were thinking of proposing alterations in the Tangier Statute. Several long afternoons in the Cortes have been entirely taken up with complicated and controversial speeches from various quarters in the House, which raised a number of delicate matters, and the press has been giving free rein to the expression of Spanish grievances about Tangier. It cannot be said that so much excited comment and criticism are a good introduction to a calm discussion of reforms of limited extent as desired by His Majesty's Government.

4. M. de Saint-Quentin further remarked that Spain was at present adopting a forward policy. This remark has some elements of truth. Since the beginning of the year, there has been a tendency in Spanish Government circles to direct public attention to external affairs, especially in regard to Mediterranean questions, and to emphasise the necessity of Spain being in a position to defend her neutrality in the case of a European war. M. de Saint-Quentin declared that Spain was both suspicious and jealous of the Franco-Italian understanding, and that she was seeking in every conceivable way to multiply and aggravate causes of dissension between herself and France in the hope of creating a situation in which the French Government would be brought to negotiate a general settlement similar to that concluded with Italy.

5. It seems to me that M. de Saint-Quentin, as many French officials are wont to do, may be misjudging what is happening in the Spanish mind. I can

hardly think that the present Minister of State or any of his officials are being so Machiavellian; and I have not seen any particular signs that Spain is jealous of the Franco-Italian understanding. Indeed, the relaxation of tension between those two countries is regarded as removing possible dangers for Spain, as it was thought that in a war one of them might be tempted to seize the Balearic Islands for strategic reasons. The chief cause of dissension between France and Spain at the present moment is connected with the rupture of commercial negotiations, and they are drifting into a kind of guerrilla war of tariffs. The Spaniards are certainly anxious to clear up various frontier questions between the Spanish and French Zones in Morocco, but so far as I know, such questions are not the subject of acute controversy. For reasons of internal policy, as well as from other motives, Spanish Republicans are very sensitive to the danger of being left out of international discussions believed to affect Spanish interests, or of being treated as a Power with secondary position in Mediterranean or North Africa questions.

6. As I ventured to point out in my despatch No. 308 of the 17th instant, it is to be feared that, once the question of revising the working of the statute is put on the *tapis*, it would be difficult to limit discussions to those matters in which His Majesty's Government are interested, and that negotiations, complicated by international rivalries, would be very arduous and lengthy, and a satisfactory solution problematical.

7. If successful negotiations are possible, the Power whose action is most likely to help in attaining that result is certainly Great Britain. The Spanish Government has much respect for British prestige and would be more amenable to the conciliatory efforts of His Majesty's Government than to that of any other country concerned. It would, however, be necessary to convince the Spaniards, and, indeed, all parties concerned, that His Majesty's Government had been impelled to take the initiative in proposing reforms from a disinterested desire to bring about an amelioration of conditions in Tangier *per se*. I therefore observed with some concern that His Majesty's consul-general in Tangier has recommended (please see your despatch No. 245 of the 13th instant, the desirability of securing, as part of any scheme of reform, the creation of a new post of Inspector-General of Finance to be filled by a British subject, and an improvement in the financial position of Mr. Michlam, the British " Receveur " of the Tangier Zone. If it became known that His Majesty's Government were intending to place in the forefront of reforms the creation of a new post for a British subject and the improvement of the financial position of one already employed, the effect would be to divest their action of the appearance of disinterestedness, and to encourage all the other parties to press for advantages for their own nationals. In Spain, at any rate, it is probable that the first result of such an announcement would be to arouse highly ironical criticism, as the Spanish public has heard a good deal about a swollen bureaucracy in the zone and the cost thereof to Tangier.

I have, &c.
GEORGE GRAHAME.

[W 6694/126/28] No. 17.

Sir E. Drummond to Sir Samuel Hoare.—(*Received July* 30.)

(No. 868.)

Sir, *Rome, July* 23, 1935.

WITH reference to your despatch No. 789 of the 11th July on the subject of the revision of the Tangier statute, I have the honour to transmit to you herewith a translation of a *note verbale* from the Italian Government replying to the communication which I addressed to them in accordance with the instructions contained in your despatch No. 527 of the 1st May.

2. It will be observed that the Italian Government are of the opinion that, while the existing statute undoubtedly suffers from certain defects, particularly in the matter of judicial organisation, it would be preferable that none of the signatory Powers should avail themselves of their right to ask for the revision of

the statute in the period ending the 14th November next. The Italian Government consider that an attempt to revise the statute might give rise to differences of opinion among the signatory Powers. In paragraph 2 of the enclosed *note verbale* the Italian Government seem to indicate that in the event of the revision of the statute they would put forward a claim for an increase in the Italian share in the control of the zone.

I have, &c.
ERIC DRUMMOND.

Enclosure in No. 17.

Note verbale.

(Translation.)

IN reply to the *note verbale* No. 187 of the 11th May last, the Royal Ministry for Foreign Affairs has the honour to communicate the following to His Britannic Majesty's Embassy :—

1. The Royal Government is ready to admit that the existing régime in the International Tangier Zone has certain defects, some of which, such as, for example, those relating to judicial organisation, have already been submitted by the Italian Government to the other interested Governments for their consideration.

2. As the British Government, so also the Italian Government, is bound to admit her dissatisfaction with the position assigned to Italy, a great Mediterranean Power, by the existing statute of the International Zone.

3. The Royal Government must, however, at the same time observe that the Tangier statute taken as a whole has functioned satisfactorily and has permitted the co-ordination of the particular interests of the inhabitants of the zone with the general interests, sometimes conflicting, of the Powers signatories of the statute. A revision of the latter would raise complex problems which might give rise to differences of opinion between the Powers principally interested, which at the present moment it would not be suitable to discuss.

4. For these reasons the Royal Government would not propose to avail themselves, before the 14th November, 1935, of their power to ask for the revision of the Tangier statute; and would consider it preferable that none of the four Powers signatories of the said statute should avail themselves of this power.

5. This naturally does not exclude the possibility of an examination, within the framework of the statute now in force, among the four signatory Powers in common agreement, of the best method of introducing any possible remedies for certain inconveniences inherent in the existing organisation of the Tangier International Zone. As regards, in particular, the judicial organisation of the zone, the Royal Government have already in the past made known their own views to the other interested Governments.

Rome, July 20, 1935—*Year XIII.*

[W 7456/126/28] No. 18.

Note sur les Finances de la Zone de Tanger, Août 1935.

A.—*Introduction.*

LE budget de la zone de Tanger n'est maintenu en balance actuellement que grâce aux collaborations de deux Puissances; la présente note est faite dans le but d'étudier quels allégements des charges dites "obligatoires," et contre l'équité desquelles Tanger a toujours protesté, permettraient à cette zone de vivre sans lesdites collaborations et même de se trouver dans une position de stabilité financière assez solide pour enlever la crainte (autant qu'il est possible de prévoir) de retomber dans des déficits.

B.—*Dépenses obligatoires.*

	Francs.
Tanger ne doit pas du tout supporter le service des emprunts marocains. Économie	500,000
Tanger ne doit pas supporter le service du Tanger–Fez. Ce chemin de fer excessivement coûteux, pour des raisons complètement étrangères à Tanger, ne lui rend presque pas de services. Sauf le terminus, il n'y a pas de gare ni arrêt sur le territoire de la zone; on pourrait même soutenir, dans ces conditions, que le Tanger–Fez devrait payer une redevance à Tanger à titre d'indemnité pour l'occupation de son territoire. Il y a si peu de justice que Tanger paie	1,300,000

Le Port.—Tanger a été doté d'un port coûteux dans des conditions fixées avant le statut, conditions qui d'ailleurs ne se sont pas réalisées en ce qui concerne les avantages que Tanger aurait dû tirer de son port.

Le port de Tanger a été conçu comme le grand port d'entrée du Maroc. Actuellement, le port sert peu. Des frontières interzonales l'entourent; toutes sortes de réglementations (par exemple, service phytopathologique) empêchent que le port serve à l'approvisionnement de l'hinterland ou aux exportations de celui-ci. Tanger est donc laissé sur les cornes d'un dilemme :

Soit laisser le port dans l'état actuel, qui serait insuffisant même si les difficultés ci-dessus citées étaient un jour abolies, et serait d'autre part perdre l'argent déjà dépensé;

Soit continuer la construction (sans les moyens de le faire)—voir ci-après pour une partie des frais essentiels qui retombent sur la zone—dans le seul espoir qu'ayant un port suffisant matériellement, l'exploitation n'en serait pas étouffée.

Il n'est donc pas équitable que Tanger paie un port imposé dans ces conditions. D'ailleurs, nulle part, la ville seule où existe un port n'est chargée de le payer entièrement.

	Francs.
(*a*) A titre d'argument, mettons que Tanger doit contribuer à la construction de son port et mettons une somme forfaitaire annuelle de 500,000 fr., d'où une économie de	4,000,000
(*b*) Même si l'argument était poussé contre Tanger, on ne devrait pas fixer la contribution de Tanger à plus de 3 millions de francs prévus dans la concession primitive comme maximum de charge. Même dans ce cas l'économie serait de	1,500,000
Le total des économies sur ces trois services (en prenant le pire pour le port, voir le (*b*))	3,300,000

C.—*Concernant la Douane et la Gendarmerie.*

J'estime que les paiements des deux autres zones pour ces services doivent continuer : le premier est un paiement de services rendus; le second découle du statut.

D.—*Concernant les Recettes.*

Pour cette étude, je supposerai que les recettes resteront stables, comme à l'heure actuelle. Il est probable qu'il y aura une légère progression en 1936, mais minime comparée avec les chiffres que nous traitons.

E.—*Concernant les Dépenses.*

Les dépenses normales telles qu'elles résultent actuellement du budget ne sont susceptibles que de faibles compressions encore comparables à la petite progression probable des recettes ordinaires. Je laisse donc de côté les unes et les autres.

F.—*Balance.*

L'économie réalisée par la suppression des dépenses obligatoires, comme il est dit ci-dessus, nous donne une économie de 3,300,000 fr. Tanger n'aura plus besoin des "collaborations," dont le total est de 2,600,000 fr., et aura au contraire une marge de 700,000 fr.

G.—*Concernant l'Utilisation de cette Marge.*

Cette marge de 700,000 fr. permettra de commencer certains travaux de première nécessité, et même urgents, que les disponibilités de la zone n'ont pas permis jusqu'ici d'exécuter, mais qui deviennent maintenant si pressants que, même sans une réforme financière, ils ne peuvent être différés indéfiniment. Je cite :

Le transfert des postes douaniers à la frontière.

L'existence de ces postes à une vingtaine de kilomètres à l'intérieur de la zone et sur les limites même de la ville constitue une grave gêne pour la zone à plusieurs points de vue.

Il est, en effet, l'abandon, au point de vue douanier et financier, de la zone, sauf la ville même.

Il rend presque inefficaces les mesures d'ordre et les lois contre l'entrée dans la zone des sans-ressources, des chômeurs et indésirables. Passé la frontière espagnole, entrés 20 kilom. dans la zone de Tanger, près des portes de la ville, refoulés des postes, il leur est très facile de trouver une entrée dans la ville et ils y sont même poussés par la difficulté de retourner sur leurs pas, vu la grande distance qui les sépare de la frontière (sans compter la distance après la frontière, qui ne nous intéresse pas).

L'existence de cette zone entre la frontière et les postes donne lieu à des incidents de juridiction entre nous et la zone espagnole, désagréables et difficiles à résoudre.

Il y a une grande tentation d'établir des foyers de contrebande.

Le double contrôle policier à la frontière et 20 kilom. plus loin aux postes est très gênant pour les voyageurs et donne lieu à de nombreuses plaintes.

Je cite aussi la nécessité de réformer et d'élargir le système d'égouts de la ville : l'élargissement de la fourniture de l'eau—déjà insuffisante pour la ville—son adduction à la montagne (largement au quartier anglais) actuellement dépourvue d'eau, d'égouts, de lumière publique;

Les marchés de la ville sont dans un état de vétusté extrême. Des réparations importantes ne peuvent plus être différées et de nouveaux marchés doivent être établis, d'autant plus qu'en 1937 le bail des deux marchés actuellement loués (les autres, quoique très vieux, sont à nous) vient à expiration et le propriétaire (les Habous) nous a informé qu'il ne veut plus renouveler la location;

La provision de sommes pour un (j'espère) Inspecteur général des Finances et pour le poste du Receveur;

Une réforme de la Caisse de Prévoyance de la zone, qui devient nécessaire;

Etc., etc.

H.—*Considérations de Stabilité.*

Il ressort que la marge de 700,000 fr. ci-dessus indiquée n'est nullement de trop pour assurer qu'à l'avenir, les finances de la zone ne donneront pas de souci aux Puissances.

Pour plus de sécurité, il ne serait pas trop de demander que, pour le port, la thèse (*a*) soit envisagée plutôt que la thèse (*b*) : une disponibilité de 2,500,000 de plus, soit de 3,200,000 fr.—une marge semblable serait suffisante pour parer, humainement parlant, à toute déception probable dans le revenu d'une année possible de crise, mais permettrait le développement normal de la ville et éviterait aux Gouvernements intéressés tout besoin de songer aux finances de Tanger, pendant longtemps.

Toutefois, si cette marge pouvait être considérée comme suffisante, je crois que le *minimum* ne devrait pas être inférieur à 1,500,000 fr., ce qui serait même peu pour tout ce qu'il y a à faire en ville et pour prévoir une année de crise.

Pour avoir cette marge (faute d'avoir le plus important), la somme forfaitaire à payer par Tanger pour le port serait fixée à 2,200,000 et le calcul serait ainsi fixé :

	Fr.
Dette—Économie	500,000
Tanger–Fez—Économie	1,300,000
Port—Économie	2,300,000
Total	4,100,000
Perte collaboration Puissances	2,600,000
	1,500,000

Cette solution mettrait les frais d'une extension possible du port à la charge des Puissances, tandis que le meilleur permettrait peut-être à Tanger de contribuer.

I.—*Concernant le Fonds de Réserve.*

Ce fonds est actuellement de 1,500,000 fr. De cette somme, 1 million constitue la réserve statutaire et 500,000 seulement les disponibilités pour les besoins de la zone.

Si le point de vue ci-dessus sur le service du Tanger–Fez était adopté, il serait certain que les 800,000 fr. actuellement en compte d'attente—car même à présent nous contestons les comptes—seront acquis au fonds de réserve (ceci est possible même à présent). Cela portera les disponibilités à 1,300,000 fr.

J.—*Concernant le Monopole des Tabacs.*

La question du monopole doit être résolue avant la fin de 1935 : Soit de continuer le monopole avec des conditions plus favorables. Dans ce cas, la zone évitera le paiement de huit annuités de 400,000 fr. pour le rachat et encaissera la réserve du monopole, 1 million de francs environ pour le fonds de réserve—les disponibilités atteignent 2,300,000 fr.; ou on fera le rachat et on tentera un autre système dans l'espoir de maintenir au moins le revenu actuel du monopole. Dans ce cas, il faudra trouver 400,000 fr. par an pendant huit ans en plus des dépenses desquelles j'ai fait mention ci-dessus, mais on encaissera quand même 1 million pour notre fonds de réserve.

C. V. DICKEN.

Le 13 *août* 1935.

[**W 7817/126/28**] No. 19.

Foreign Office to Mr. Gye.

(No. 238.)

Sir, *Foreign Office, September* 11, 1935.

I AM directed by Secretary Sir Samuel Hoare to inform you that Colonel Ellis, after an interview with Sir Robert Horne, called at the Foreign Office on the 5th September, and, in a conversation with Sir George Mounsey, raised again the question of the funding of the Tangier port loans.

2. Sir George Mounsey informed Colonel Ellis that this question had been examined last year, that a decision had been reached unfavourable to the proposal of Government guarantees for this purpose, and that it had also been considered that the French Government would not welcome the proposal. Colonel Ellis was inclined to disagree with the latter view. Although at one point in the conversation he had expressed the opinion that it was quite likely that the French (Shereefian) Government might take over the port concession, as they were entitled to do, in the event of a default on the loans, he eventually expressed a decided view that they would much prefer to have the port completed by international arrangements, such as the proposal for funding the loans. If they were funded at about 3½ per cent., Colonel Ellis calculated that there would be sufficient funds to complete the port in such a way as to make it available for all Peninsular and Oriental ships and men-of-war. If the four Governments guaranteed the

transaction the port administration would become truly international, and there was no doubt that both the Spanish and Italian Governments would support such a solution. If His Majesty's Government in the United Kingdom agreed to do likewise the French Government could hardly stand out.

3. The main ground on which he renewed his request for the consideration of this scheme was that of trade. British shipping interests were the largest, and would benefit still further by the completion of the port; and as British ships called more frequently at Tangier so would British trade relations improve. Sir George Mounsey gave Colonel Ellis no encouragement to believe, especially in view of the present international situation, that His Majesty's Government could or would reconsider his proposal in a more favourable sense, but said that if Colonel Ellis would embody his proposals in writing the question would be further examined. He promised, after returning to Tangier, and after consultation with you, to send a written communication.

4. The Treasury have in the past been strongly opposed to such a guarantee, on the ground that it was contrary to the financial policy of His Majesty's Government, and that it would, moreover, require a specific Act of Parliament. Unless, therefore, the scheme can now be presented in a revised form which will require less of a guarantee, and can be shown as an attractive trade opening for British shipping and merchants, it is very doubtful whether it would be possible to persuade the Treasury to reconsider their former attitude.

5. In this connexion, also, I am to refer to the proposals drawn up by Mr. Dicken for the alleviation of the Tangier statutory charges, which were enclosed in your letter to Mr. Peterson of the 17th August. You will recall that, failing a conference for the revision of the Tangier Statute, it was proposed to suggest to the French, Spanish and Italian Governments that certain improvements in Tangier, such as the reform of the Mixed Tribunal and an alleviation of the statutory charges, might be effected by diplomatic correspondence, the first of these proposals involving a limited amendment of the statute, the second being possible without such amendment (see Foreign Office despatch No. 116 of the 2nd May). As regards the question of the revision of the statute, the Italian Government have expressed themselves as definitely against a conference for this purpose. An interim reply has been received from the Spanish Government (see Foreign Office despatch No. 237 of the 11th September) from which it appears that they will not be in a position for some time to state whether they wish a conference for revision or not. The French Government have not yet expressed their views, but they are probably in much the same position as the Spanish Government, and are not to be expected to express definite views in the near future. Moreover, during the present international crisis, it is doubtful whether it will be possible to achieve even the suggested limited improvements at Tangier by diplomatic correspondence. It might, however, be possible to proceed at once to consider those improvements which involve no amendment to the statute, *e.g.*, the alleviation of the statutory charges.

6. As pointed out in paragraph 6 of annex A of your despatch No. 50 of the 4th April, the French claim to Tangier's share of the Moroccan loans (500,000 fr. a year) could be waived by unilateral declaration, and the charge on the Tangier–Fez Railway (1,300,000 fr. a year) could be cancelled or reduced by a Franco-Spanish declaration. If, then, Tangier were relieved of these two fixed charges, amounting to 1,800,000 fr., and if at the same time the French and Spanish Governments were to cease paying the annual subvention of 2,600,000 fr., the budget, which is at present balanced, would have a deficit of 800,000 fr.

7. As you will observe from Foreign Office despatch No. 181 of the 26th August, 1932, the Treasury in that year were prepared to agree if necessary to a grant-in-aid for Tangier up to £5,000 a year on the understanding that the other three Powers concerned made similar grants. The amount of the four grants (£20,000) would be roughly equivalent to 1,400,000 fr. If, therefore, His Majesty's Government were now prepared to make such a grant, and if the other three Powers could be induced to contribute the same amount annually, the Tangier budget would have a favourable balance of 600,000 fr., which would permit of a reduction of the annual contribution for port charges from 4½ million francs to just under 4 million francs, and exactly balance the budget without a margin. This is admittedly less than the minimum recommended in Mr. Dicken's memorandum enclosed in your above-mentioned letter, which

suggests a reduction of the port contribution to 3 million francs, giving also a margin of not less than 700,000 fr.

8. Sir Samuel Hoare considers, however, that it may be desirable to propose to the Treasury this small reduction in the statutory charges, to be achieved by grants-in-aid of £5,000 from each of the four Powers concerned, together with a cancellation of the Moroccan loans and Tangier–Fez Railway charges. This appears to be the most which can usefully be proposed at the present moment until the general position of Italy becomes more clear, and at the same time the proposal seems to be one in which Italy might concur, if her attitude in this connexion is still as reported in Mr. Gurney's letter of the 21st October, 1932, in which he mentioned that the Italian Minister at Tangier would "definitely like to see the deficit covered by a loan from the four interested Powers so that Italy herself might acquire a further stake." This aspect may, it is true, give rise to certain objections, but they appear to be less than those of allowing the Tangier deficit to be met with the aid of subsidies from the French and Spanish Zones only, the inherent dangers of which are well indicated in paragraph 5 of your annual report on Tangier for 1934: "It is not, I think, unfair to say that during the past year France has been unremitting in her efforts to gallicise the zone."

9. To sum up, the action contemplated on the above basis, assuming the consent of His Majesty's Government in the United Kingdom to contribute the grant-in-aid, would be—

(1) To suggest to the French Government that they should waive their claim to the Tangier share of the Moroccan loans.

(2) To suggest to the French and Spanish Governments that they should cancel the Tangier share of the charge for the Tangier–Fez Railway.

(3) To suggest to the French, Spanish and Italian Governments that, if the above two proposals are agreed to, the four Governments concerned should, so long as the need continues, make grants to Tangier of £5,000 each per annum, the joint French and Spanish subsidy of 2,600,000 fr. being then no longer required.

10. If the Treasury were to adopt a favourable view of these proposals it is probable that they would be still less inclined than before to consider favourably a proposal for the funding of the Tangier port loans. I am to request, however, that, when you have seen Colonel Ellis and examined his proposals, you will send your considered views on the whole question at an early date, in view of the approaching expiry of the time limit for demanding revision of the statute.

I am, &c.

P. LEIGH-SMITH.

No. 20.

Mr. Gye to Sir Samuel Hoare.

(No. 143.)

Sir, *Tangier, October* 3, 1935.

I HAVE the honour to acknowledge the receipt of your despatch No. 238 of the 11th ultimo, recording Sir George Mounsey's conversation with Colonel Ellis, relative to the latter's proposal to revive his scheme for the funding of the Tangier port loans and, alternatively, outlining certain proposals for alleviating the fixed charges at present weighing upon Tangier's financial resources.

2. I will deal first with Colonel Ellis's proposal.

3. I did not fail, in accordance with your instructions, to discuss with Colonel Ellis his proposal, and emphasised the importance of basing his arguments on trade advantages. I ventured to assure him that these would have to be very strong in order to persuade His Majesty's Government to reopen once more a question which had so definitely been turned down only last year.

4. Colonel Ellis has now handed me a letter addressed to Sir George Mounsey, which I enclose, but I do not feel that I can endorse his conclusions, more especially as the other proposals contained in your despatch under reply seem to offer a greater hope of success and a more simple means of coming to the aid of Tangier's finances.

5. I did in my despatch No. 50 of the 4th April suggest that, while a revision of the statute entailing an international conference would be undesirable, certain

ameliorations might be sought in the procedure of the Mixed Tribunal and a reduction of the fixed charges be sympathetically considered.

6. This was some months ago, and to-day, in view of the international situation, it is obvious that the time is inopportune for the discussion of so minor, but at the same time so vexed, a question as that of the Mixed Tribunal.

7. I cannot disguise the fact that the absence of any attempt to alter the present procedure of the Mixed Tribunal is likely to call forth bitter criticism by those who are ever ready to attack the system of the Mixed Tribunal, when, in fact, it is not the system so much as the "personnel" which is to blame.

8. As I see it, the procedure of the Mixed Tribunal is based on an understanding of the Latin mind, but is irksome to the British idea of fair and prompt settlement.

9. At the same time, this procedure is executed on nationalistic lines and, therefore, no reform of the procedure itself is likely to produce improvements agreeable to the British idea while the personnel remains unchanged.

10. Little, to my mind, would be gained by the discussion of this question, which, as Mr. Campbell states in his despatch No. 719 of the 14th May, is of only too painful memory in 1929.

11. This being so, I agree that the only useful action open to His Majesty's Government is to seek to alleviate the statutory charges in the manner summarised in paragraph 9 of your despatch under reference. I would, however, point out that this paragraph contains no mention of the debits piled up against the Tangier Zone. In my despatch No. 50 of the 4th April I reported that these now amounted to some 14 million to the French Zone and 4 million to the Spanish Zone. While these debits are only to be repaid when, and if, the Tangier Zone loses its international aspect, yet there is every advantage from the British point of view in trying to secure the cancellation of these debts at the present juncture, if only to clear the course for any modification desired by His Majesty's Government at a further date.

12. The existence of the charges for the Moroccan Loans, the Tangier–Fez Railway and, to a lesser degree, the port, certainly militates against the stability of the present régime. In the first place, the Legislative Assembly, convinced of the injustice of these charges, refuses to vote additional taxation. This being so, some form of subsidy is necessary in order to balance the budget. By granting this subsidy, the French and Spanish Zones consolidate their existing predominance in this zone.

13. In regard to the prospects of the other signatory Powers agreeing to the present proposals, it is obvious that in the present state of affairs Italy's attitude remains unknown. I am inclined to believe, however, that until recently Italy would have preferred to take part in an international subsidy, rather than acquiesce in the continuance of the Franco-Spanish subsidy.

14. In regard to the French and Spanish Governments, at the present time each of them contribute 1,300,000 fr. as a direct subsidy, 500,000 as a contribution to the Customs and 500,000 towards the cost of the gendarmerie. In addition, the remission by the Spanish Zone of the 2½ per cent. Special Tax is estimated to bring 100,000 fr. per annum to the Tangier Zone. In the present proposals, it is assumed that all these items, with the exception of the 2,600,000 fr., will be continued. If this assumption is realised, the French Zone will be exempted from the payment of 1,300,000 fr., but will have to find 500,000 fr. (plus any extra not yet determined) for the Moroccan loans; 650,000 fr. being half the cost of the Tangier–Fez Railway; together with, say, 350,000 fr. (£5,000 at, say, 70) for the new subsidy. Thus, the net French expenditure will increase slightly, while the amount owing by Tangier for the subsidies already paid and the unpaid balance on account of the service of the loans will presumably be cancelled. Perhaps an offer to give the French and Spanish Governments a preferential return of the budget surplus would be an inducement both to accept the present scheme and to exert pressure on the Assembly to see that they secure it. For the Spanish Zone, the proposed scheme would result in an alleviation of the burden, as the item of 500,000 fr. for the service of the Moroccan loans does not enter into this account. On the other hand, the Spanish Zone (perhaps even more than the French Zone) has its own financial difficulties, and I rather expect that the Spaniards will refuse to remit the proceeds of the 2½ per cent. Special Tax. On balance, however, the new proposals are favourable to Spain, and for that reason one might reasonably expect them to be favourably considered by that country.

15. On the whole, much as I sympathise with Colonel Ellis's anxiety to see the port works continued, and though a larger and more convenient port would undoubtedly be of benefit to British shipping, I feel that the alternative proposals put forward in your despatch offer a better chance at the present moment of benefiting Tangier.

I have, &c.
ERNEST F. GYE.

Enclosure in No. 20.

Colonel Ellis to Sir G. Mounsey.

Dear Sir George, *Tangier, October* 1, 1935.

YOU were kind enough to ask me to write to you with regard to the financial situation in Tangier, and particularly with reference to the Tangier port loans.

As the shipping frequenting the port is, to the extent of some 50 per cent., British, it is obvious that the conditions of working of the port are of interest to Great Britain on trade grounds, as this trade means a good deal of foreign money paid for passages and freights to British shipping companies.

The present position of the port is that the facilities offered are not really satisfactory and some extension on economic grounds is essential. Were some 45 million francs to be spent on the extension of the mole, it is almost a certainty that the port would be a paying proposition.

If the existing loans—one of Dutch florins 3,350,000 (36 million francs) and the recent one of 42 million francs—were funded at a reasonable rate of interest, with the guarantee of the signatory Powers, it is probable that Tangier could get the whole of the new money for the extension, as well as enough to repay the old loans, at the same total cost as is being paid to-day (*i.e.*, some 5 million francs).

There is the additional advantage that, were these loans funded and guaranteed by the Powers, the constitution of the Port Committee could be changed, as the Powers would then be substituted for the Shereefian Government, and the danger of the Shereefian Government taking over the port would disappear.

It is realised that the Dutch loan cannot be funded before the end of 1937, but notice must be given not later than *August* 1937—a date which gives time for the necessary negotiations.

The ultimate guarantee of His Majesty's Government would only be for some £500,000, and it is almost certain that it would not be called on, and the guarantee would both benefit British shipping trade and fix the international basis for a long period.

You asked me if I could give you any idea as to the attitude of the French authorities, and, from enquiries I have recently made, I do not think any objection would be raised to the adoption of this proposal, and, in effect, so long as no attempt is made to interfere with the control of native affairs, most reasonable suggestions are likely to be adopted.

There is no doubt in my own mind, after having served on the Port Commission for nearly twelve years, that, so far as our trade is concerned, we should get a better deal in the future were the port really international.

If the international status of the port were definitely fixed for the duration of the concession, surely it would not matter much what else happened to the statute, provided there were certain reforms in the courts in order to provide more effective justice, and a reduction of the fixed charges for the Tangier–Fez Railway and the 1904–10 loans.

May I add that the other point I consider *essential* is the reform of the courts, so that there is some form of summary jurisdiction, and that the procureur should be to some extent under the control of the Administration.

If the financial question is settled and the courts are improved, other matters, I think, would right themselves.

Yours sincerely,
W. F. ELLIS.

[W 8887/126/28] No. 21.

Foreign Office to Treasury.

Foreign Office, October 29, 1935.

Sir,

I AM directed by Secretary Sir Samuel Hoare to refer to Foreign Office letter of the 28th July, 1932, regarding the financial situation at Tangier, in which reference was made to the great importance, from an imperial point of view, of the maintenance of the international régime at Tangier and to the possible danger of the breakdown of this régime in the event of the Tangier Zone becoming insolvent.

2. As the Lords Commissioners of His Majesty's Treasury are aware, the present international status of Tangier rests upon the Paris Convention of the 18th December, 1923, as modified by the protocol signed at Paris on the 25th July, 1928. The Paris Convention of 1923, the ratifications of which were exchanged on the 14th May, 1924, was concluded for a period of twelve years, to be renewed automatically for one or more equal periods if at least six months before the expiry of the convention none of the contracting Powers has demanded its revision (article 56). The period of twelve years expires on the 14th May next, and the latest date for demanding revision is, therefore, the 14th November next.

3. Considerable pressure has been exerted upon His Majesty's Government by British interests in Tangier to exercise the right to demand revision, in order to obtain remedies for the serious hardships under which the Tangier Administration is at present labouring. The basis of the criticism levelled by British interests is the alleged increasing predominance of France and the growing financial dependence of Tangier on contributions from the French and Spanish Zones. The other three signatory Powers of the Tangier Statute, France, Spain and Italy, have been informed that His Majesty's Government regard the present position under the statute as unsatisfactory, more especially in the financial and judicial spheres, and statements to the same effect have been made in Parliament. Before, however, arriving at a decision as to the advisability of giving formal notice of revision of the statute, His Majesty's Government have taken steps to ascertain the views of the other three signatory Powers, and from the information so far received, it appears that these Powers are averse from any contracting Power taking such action. Sir Samuel Hoare has given the matter careful consideration and has come to the conclusion that a formal conference of the Powers resulting from a demand for a complete revision of the statute at which proposals for the revision of any article could be raised would probably give rise to serious divergence of views among the Powers concerned and would not offer favourable prospects for ensuring common agreement on the necessary reforms that are urgently required for the improvement of conditions at Tangier. He has therefore had under consideration an alternative method of endeavouring to secure the assent of the Powers concerned to a limited number of reforms, and, once agreement is reached, to arrange for a small meeting of suitable experts to draw up the text of an instrument embodying the particular reforms to be agreed upon and bring them into effect in the same manner as the amendments under the Paris Protocol of 1928. It is, however, to be anticipated that even such restricted reforms could not be secured without considerable discussion and delay, which would doubtless be aggravated by the present international situation. Accordingly, while reserving this plan for some opportunity more favourable than the present, Sir Samuel Hoare would propose for the moment to concentrate on a single question which is at the same time the most urgent of the Tangier problems, namely, financial reform, which, moreover, presents the advantage that it could be achieved, at least provisionally, without any amendment of the Tangier Statute and by the mere waiver by the French and Spaniards of their rights under articles 21 and 39 of the statute.

4. Sir Samuel Hoare desires, therefore, to draw the urgent attention of the Lords Commissioners to this particular question. Tangier has fallen heavily into debt, which will increase each year unless a remedy is found, and justifiable anxiety is felt by British interests as to the dangers to which the international régime is exposed if this position is allowed to continue. The debt comprises (1) a suspense account, in respect of charges in connexion with the Moroccan loans of 1904 and 1910, and (2) the annual joint subsidies from the French and Spanish Zones. With regard to the suspense account, Tangier pays

a provisional sum of 500,000 fr. per annum to the French Protectorate authorities for the service of the loans of 1904 and 1910 (see article 21 of the statute), but the theoretical estimated share is about 1,250,000 fr., although for certain reasons it has not been found possible definitely to fix the amount. The difference of 750,000 fr. has been placed, therefore, to a suspense account, which by the end of 1935 will, it is reckoned, reach a figure of about 10 million francs. As regards the subsidies, the French and Spanish Zones have been advancing jointly a sum of 2,600,000 fr. for the last three years, with the aid of which Tangier's budget has been balanced. The debt of Tangier is, therefore, about 18 million francs, which is not repayable so long as a form of international régime exists at Tangier.

5. I am to transmit herewith, for the information of the Lords Commissioners, copy of a memorandum on the Tangier budget by Mr. Dicken, the Assistant Administrator responsible for the financial services of Tangier, together with copies of a despatch which was addressed to His Majesty's consul-general at Tangier and of the reply received from Mr. Gye, embodying certain proposals for achieving a balanced Tangier budget.(1) These proposals may be summarised as follows:—

(i) The French and Spanish Governments should be asked to agree to a cancellation of the existing debt.

(ii) The French Government should be asked to agree to waive their claim to the Tangier share of the Moroccan loans of 1904 and 1910. In this connexion, however, I am to refer to the proposals in paragraph 6 below.

(iii) The French and Spanish Governments should be asked to cancel the Tangier annual charge for the Tangier–Fez Railway (see article 39, paragraph 7 (3), of the statute).

(iv) If the above proposals are agreed to, His Majesty's Government and the French, Spanish and Italian Governments should each make an annual grant of £5,000 to Tangier, say, altogether, 1,400,000 fr.

6. The effect of these proposals would be to render unnecessary the present annual contribution of 1,300,000 fr. each from the French and Spanish Zones and to leave a budgetary surplus to Tangier of approximately 600,000 fr. Spain would benefit slightly under the proposals, as compared with the present position. France, on the other hand, would have to pay some 200,000 fr. more than at present, and in order to take this into account it is proposed slightly to modify the suggestion to be made to the French Government as regards the Moroccan loans of 1904 and 1910 (as in paragraph 5 (ii) above), so that Tangier's share of the charges should not be entirely cancelled, but should be reduced to a payment of 200,000 fr. This would place France in no worse a position than she is at present, and would still leave Tangier with a small budgetary surplus of some 400,000 fr.

7. As regards the proposal that His Majesty's Government and the Governments of the other three Powers concerned should contribute annually a grant of £5,000, Sir Samuel Hoare desires to express the confident hope that, in view of the political importance of endeavouring to achieve a satisfactory and stable financial position in Tangier, and in view of their opinion as expressed in Treasury letters of the 15th August, 1932, and the 24th October, 1933, the Lords Commissioners will be prepared to sanction this proposal. Sir Samuel Hoare is of the opinion also that such a measure must to some extent undermine the criticism that has been levelled from British circles of the increasing French predominance and of the lack of any contribution by His Majesty's Government towards the financial difficulties of Tangier.

8. The Lords Commissioners will observe that, in the above-mentioned despatch to His Majesty's consul-general at Tangier, Mr. Gye was requested to give his views on the question of the desirability of a funding of the Tangier Port loans under the guarantee of the Powers. In his reply Mr. Gye expresses the view that the financial proposals outlined above offer a better prospect of attaining an improvement of the finances of Tangier than the scheme for a funding loan. In any event, Sir Samuel Hoare presumes that the Lords Commissioners would still feel disinclined to depart from the unfavourable view of this proposal expressed in Treasury letter of the 24th October, 1933.

(1) Nos. 18–20.

9. Sir Samuel Hoare suggests that, if desired, the financial details of the scheme outlined in paragraphs 5 and 6 above might be discussed at the Treasury with Mr. Gye, His Majesty's consul-general at Tangier, who is now on leave. If the Lords Commissioners are prepared to agree to the proposals, Sir Samuel Hoare proposes to submit them to the other three Governments concerned as soon as possible after the 14th November next, the date when the period for giving notice of revision of the Tangier Statute expires, and he would be glad, therefore, to receive the observations of the Lords Commissioners at an early date.

I am, &c.
P. LEIGH-SMITH.

[W 8887/126/28] No. 22.

Foreign Office to Treasury.

Sir, *Foreign Office, November* 7, 1935.

I AM directed by Secretary Sir Samuel Hoare to refer to Foreign Office letter of the 29th October, regarding the financial situation at Tangier, in paragraph 3 of which it was stated that he had come to the conclusion that a formal conference of the four Powers signatory of the Statute of Tangier for a complete revision of the statute would be undesirable, and that he would prefer an alternative method of securing, through the ordinary diplomatic channels, the assent of the Powers concerned to a limited number of reforms.

2. Sir Samuel Hoare, however, feared that even this alternative course would give rise to considerable discussion and delay, and he therefore suggested, for the consideration of the Lords Commissioners of the Treasury, the advisability of securing at all events one, and that the most important, of the many reforms so long desirable from the point of view of the International Zone itself, as well as of the British interests therein, by concentrating for the moment on the single question of making a definite proposal for the financial assistance of Tangier, which would involve, amongst other things, an annual grant of £5,000 by each of the signatory Powers, including His Majesty's Government.

3. A sudden and unexpected demand made, however, almost at the eleventh hour by the Spanish Government, has made it impossible now to contemplate restricting consideration merely to financial reform, and has necessitated immediate consideration of the alternative course of a limited number of reforms mentioned at the beginning of this letter. The Spanish Government have, in the last few days, suggested both to the French Government and to His Majesty's Government a number of reforms, on the acceptance of which before the 14th November they make conditional their agreement to prolong the present statute and not to call a conference for revision. The chief of these reforms would be the appointment of the Mendoub (the Sultan's representative) from among three persons selected by the Spanish Government, the creation of the new post of a Spanish comptroller of the Mendoub, and the appointment of a Spanish, instead of a French, administrator (chief executive officer) of the zone. The French Government have stated, however, that they are unalterably opposed to the first two reforms, and somewhat less strongly to the last (*i.e.*, a Spanish administrator), to which, nevertheless, Sir Samuel Hoare now learns that, as a result of further discussions, they would be willing to agree if the Spanish Government would abandon their insistence on the first two reforms. Sir Samuel Hoare is informed further that the Spanish Government will probably be willing to accept this compromise, to which His Majesty's Government would also be able to give their support.

4. If, however, the French are to lose the post of Administrator of the zone, which they have held for the past twelve years, they will naturally desire the second important executive post, which is that of Financial Assistant Administrator, a post which has not only been held by Mr. Dicken, a British subject, for the past twelve years, but the retention of which by a British subject is regarded by His Majesty's consul-general as of the first importance. Sir Samuel Hoare therefore proposes to suggest to the French Government that if they give up the post of Administrator they should receive instead the third executive post, that of Hygienic Assistant Administrator, in compensation whereof His Majesty's Government would be willing to share with the three other

signatory Powers the granting of a subvention to Tangier, which, while not increasing the amount of the contributions already made by the French Government, would relieve them of the necessity, together with the Spanish Government, of continuing to meet the annual deficit in the Tangier budget.

5. Sir Samuel Hoare therefore urgently requests the sanction of the Lords Commissioners to making a proposal to the three Governments concerned on the lines laid down in Foreign Office letter under reference, if it appears otherwise impossible to persuade the French to agree to a compromise on the present Spanish proposals, such as would satisfy both His Majesty's Government and the Spanish Government, at the same time obviating the futile and contentious inconvenience now threatened by the Spanish Government of a general conference for the revision of the Statute of Tangier.

I am, &c.
P. LEIGH-SMITH.

[W 9763/126/28] No. 23.

Treasury to Foreign Office.—(Received November 11.)

Sir, *Treasury Chambers, November* 11, 1935.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Leigh-Smith's letters of the 29th ultimo and 7th instant, relative to the financial situation at Tangier. The present position is that the Spanish Government have put forward three demands, on the acceptance of which before the 14th November they make conditional their agreement to prolong the present statute. One of these demands is that a Spanish instead of a French Administrator should now be appointed. The Secretary of State understands that the French Government would be willing to concede this demand if the other demands were withdrawn, and that the Spanish Government would probably be willing to accept this compromise. He fears, however, that the French Government may seek to make their acceptance of this demand conditional upon the appointment of a French, instead of a British, Financial Assistant Administrator. The retention of this post in British hands is considered to be of great importance, and Sir Samuel Hoare therefore proposes to suggest that, if the French Government will accept the third post—that of Hygienic Assistant Administrator—leaving the second post in British hands, His Majesty's Government would be willing to share with the other three signatory Powers in a subvention to Tangier. In this connexion he proposes to put forward the scheme of financial adjustment set out in paragraph 5 of Mr. Leigh-Smith's letter of the 29th ultimo, involving an annual grant from His Majesty's Government of £5,000 a year.

2. In reply, I am to request you to inform Secretary Sir Samuel Hoare that my Lords are by no means satisfied that if the financial situation of Tangier could be dealt with on its merits, apart from the questions of the revision of the statute and the retention in British hands of the post of Assistant Financial Administrator, a contribution from His Majesty's Government could be justified. In this connexion, I am to invite attention to the proposals put forward by the French expert consulted in 1932 (M. Laure), as described in Mr. Gurney's despatch of the 25th October, 1932. The assistance from the Powers which these proposals involved would have been given entirely by France and Spain. Among the proposals was one that the French and Spanish Zones should relieve the International Zone of part of the cost of the port, to the amount of 1,700,000 or 1,800,000 fr. M. Laure took the view that it was not fair that Tangier should be saddled with the whole cost of a port which serves all three zones, and that the other zones should contribute on the basis of the customs receipts which the port brings in for them. My Lords are not aware of any ground for contesting the justice of this proposal, and they observe that its inclusion among the proposals for financial adjustment which are now to be made would render unnecessary any subvention from the other signatory Powers.

3. My Lords understand, however, that Sir Samuel Hoare fears that a conference on the subject of Tangier might result in serious disagreement among the Powers concerned, and he is anxious in present circumstances to avoid any

further cause for tension in the Mediterranean. A conference could no doubt be avoided by giving up the post of Financial Assistant Administrator, but my Lords understand that, in Sir Samuel Hoare's view, to give up this post would weaken the British position in Tangier to an extent that would arouse strong criticism and could not be justified. In all the circumstances, therefore, my Lords will not in principle oppose the offer of limited financial assistance to the Tangier Zone, if by this means both the objects indicated above—the avoidance of a formal conference and the retention of the second post in Tangier—can be secured. They think, however, that the proposals for financial adjustment put forward should include the assumption by the French and Spanish Zones of part of the Port Loan charges, and that an endeavour should be made to secure contributions to any deficit that may remain from the acceding Powers as well as the signatory Powers. They trust that by these means any subvention necessary may be reduced well below the figure of £5,000 suggested.

I am, &c.
R. V. NIND HOPKINS

[W 9801/126/28] No. 24.

Sir G. Clerk to Sir Samuel Hoare.—(*Received November* 13.)

[By Post.]

(No. 280. Saving.)
(Telegraphic.) *En clair.*

Paris, November 12, 1935.

YOUR despatches No. 1928 of 30th October and No. 1989 of 8th November.

I discussed the question of prolongation of appointment of Assistant British Administrator at Tangier with M. de Saint-Quentin, but it became clear from the outset that there was no prospect of favourable consideration by the French Government unless they withdrew their assent to the appointment of a Spanish Administrator, as a consequence of which the Spanish Government would certainly have pressed their claim for revision of the statute. In order, therefore, to obtain a prolongation of the appointment of the Assistant British Administrator and to prevent a Spanish claim for revision, I was satisfied that it was necessary to disclose the possibility of a financial contribution by His Majesty's Government as part of the scheme for financial reform of Tangier described in the letters to the Treasury of the 29th October and 7th November. M. de Saint-Quentin was subsequently given for his private and confidential use a memorandum setting forth the main lines of these proposals.

M. de Saint-Quentin, who is instinctively unreceptive of any suggestions regarding Tangier, appeared for once to be favourably impressed by our communication. He observed, however, that these proposals, which, for His Majesty's Government, would merely mean the payment of one lump sum into the common fund, entailed for the French Government an extremely complicated readjustment of payments. The question of the Fez–Tangier Railway, the whole of which was a charge on the French Government as opposed to the Moroccan Administration, would require delicate handling, as this was an item of unremunerative expenditure on which the Finance Commission was particularly sensitive.

He promised, however, to give our suggestions prompt and favourable consideration. Technical points, he said, would inevitably arise which would require discussion between experts, and he enquired whether Mr. Gye and Mr. Dicken would be authorised to examine these points with French officials in Tangier, or whether, when the time came, you would prefer to send over an expert from London for the purpose.

M. de Saint-Quentin said that satisfactory progress had been made in conversations with the Spanish Government and he was now fairly confident that they would not press their claim for revision.

[W 9801/126/28] No. 25.

Foreign Office to Treasury.

Sir,

Foreign Office, November 15, 1935.

WITH reference to Treasury letter of the 11th November, relative to the financial situation at Tangier, I am directed by Secretary Sir Samuel Hoare to transmit herewith copy of a telegram which has been received from His Majesty's Ambassador at Paris,(1) from which it is clear that the proposal for financial assistance by the Powers to the Tangier Zone was necessary in order to avoid a formal conference for revision of the statute, and in order to retain for a British subject the post of Financial Assistant Administrator.

2. In these circumstances, Sir Samuel Hoare proposes, subject to the concurrence of the Lords Commissioners of His Majesty's Treasury, to authorise Mr. Dicken, in the anticipated event of a favourable reply from the French Government, to examine the technical points with his colleagues, as suggested in the penultimate paragraph of Sir George Clerk's telegram.

3. Subject also to the concurrence of their Lordships, Sir Samuel Hoare proposes to reply to urgent enquiries which have been made by the British Merchants Morocco Association and by the British Residents Association of Tangier, that the attitude of the other Powers signatory to the Tangier Statute has shown that a conference for the revision of the statute would not provide the best means of obtaining agreement on the reforms required; that negotiations regarding a number of desirable reforms for reaffirming the international basis of the Administration are at present in progress between the four signatory Powers; and that His Majesty's Government have themselves made proposals in which they hope to obtain the concurrence of the Powers concerned, for a more satisfactory readjustment of the statutory charges together with a measure of financial assistance from the Powers. Sir Samuel Hoare would be glad to receive their Lordships' concurrence in the above reply at an early date.

4. As regards the suggestion made in the second paragraph of Treasury letter under reference, that a contribution by the French and Spanish Zones towards the port charges should be included among the proposals for financial adjustment, I am to point out that Mr. Gurney, in his despatch of the 25th October, 1932, referred to by the Lords Commissioners, stated that the French proposals included not only a Franco-Spanish contribution of 1,800,000 fr. towards the Port Loans, but also a Franco-Spanish contribution of 700,000 fr. towards the Tangier Fez Railway. Eventually, however, the French and Spaniards agreed to provide the amount required to balance the budget, *i.e.*, 2,600,000 fr., by contributing solely towards the Port Loans (see Tangier despatch, a copy of which was forwarded to the Treasury under cover of Foreign Office letter of the 11th February, 1933). This contribution of 1,300,000 fr. each the French and Spaniards have actually been making during each of the past three years, and it is, in fact, this contribution which Sir Samuel Hoare now suggests should be replaced by (*a*) the more permanent method of the other two zones cancelling or waiving certain of their claims on the Tangier Zone; and (*b*) the politically more desirable method of distributing a portion of the financial assistance among the four signatory, and, if possible, also the four acceding Powers to the Statute of Tangier.

I am, &c.
P. LEIGH-SMITH.

(1) Not printed.

[W 9968/126/28] No. 26.

Treasury to Foreign Office.—(*Received November* 18.)

Sir,

Treasury, November 18, 1935.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Leigh-Smith's letter of the 15th instant with the accompanying copy of a telegram(1) which has been received from His Majesty's Ambassador at Paris relative to the financial situation at Tangier.

(1) Not printed.

2. In reply, I am to request you to inform Secretary Sir Samuel Hoare that my Lords concur in the instructions which it is proposed to give to the Financial Assistant Administrator and in the reply which it is proposed to return to the enquiries which have been made by the British Merchants' Morocco Association and by the British Residents' Association of Tangier, subject to the omission of the words " with a measure of financial assistance from the Powers."

3. As regards the final paragraph of the letter under reply, my Lords had not overlooked the fact that the proposals put forward by the French expert in 1932 included a Franco-Spanish contribution towards the Tangier–Fez Railway. The fact that a similar proposal was included in the scheme submitted in Mr. Leigh-Smith's letter of the 29th October made it unnecessary to refer to it. The point to which my Lords wished to draw attention was that M. Laure recommended that the French and Spanish Governments ought, on merits, to give as of right assistance approximately equivalent to that which they have been giving as a favour, and which has been sufficient to balance the budget of the Tangier Zone.

4. My Lords would be glad to be furnished in due course with a copy of the memorandum given to M. de Saint-Quentin. They assume that they will be consulted as to the settlement proposed as a result of the discussions which have now been initiated.

I am, &c.
R. V. NIND HOPKINS.

[W 10326/126/28] No. 27.

M. de Saint-Quentin to Mr. Lloyd Thomas.—(Received in Foreign Office, December 2.)

Cher Ami, *Paris, le 28 novembre* 1935.

JE vous fais parvenir ci-joint en double exemplaire le texte des quatre lettres échangées entre M. Laval et M. de Cárdenas, le 13 de ce mois, au sujet des questions tangéroises. Les deux dernières, Nos. 2A et 2B, qui concernent le Chef de la Police civile, ont été tenues confidentielles à la demande des Espagnols. Comme vous le savez, ils voulaient que ce poste leur fût attribué. Nous nous y sommes refusés et leur avons demandé la garantie que leur Administrateur ne ferait pas usage de son droit de présentation pour remplacer le Chef français de la Police par un Espagnol ou par un Français qui ne fût pas à notre convenance.

Je vous prie, &c.
D. DE SAINT-QUENTIN.

Enclosure 1 in No. 27.

M. Laval to M. de Cárdenas.

(No. 1A.)

M. l'Ambassadeur, *Paris, le 13 novembre* 1935.

AU moment où, par application de l'article 56 de la Convention de Paris du 18 décembre 1923, modifiée le 25 juillet 1928, le Statut de Tanger va être renouvelé pour une période de douze ans à partir du 14 mai 1936, et comme suite aux entretiens qui ont eu lieu entre votre Excellence et moi ainsi qu'entre M. l'Ambassadeur Aguirre de Carcer et les services compétents du Ministère des Affaires étrangères, j'ai l'honneur de vous faire connaître que le Gouvernement de la République française, désireux de donner au Gouvernement de la République espagnole une nouvelle preuve de l'esprit d'amicale collaboration dans lequel il entend poursuivre son action au Maroc, est d'accord pour convenir de ce qui suit :

1. Le Gouvernement de la République française emploiera, le moment venu, son influence auprès des membres français et marocains de l'Assemblée législative de Tanger afin d'obtenir que pendant la prochaine période de douze ans l'Administrateur soit de nationalité espagnole.

2. Le Gouvernement de la République espagnole emploiera son influence auprès des membres espagnols de l'Assemblée législative de Tanger pour obtenir que, pendant la prochaine période de douze ans, un des administrateurs-adjoints soit de nationalité française.

3. Le Gouvernement de la République française, se référant aux lettres échangées le 7 février 1924 entre son Excellence M. Poincaré, Président du Conseil, Ministre des Affaires étrangères et son Excellence M. Quiñones de León, Ambassadeur d'Espagne, admet que la juridiction du Vicaire apostolique de Tétouan s'étende désormais sans limitation de durée à la Zone de Tanger. Il demeure entendu que les prêtres ou les religieux de la paroisse française Jeanne d'Arc, et des autres paroisses françaises qui viendraient à être créées à Tanger suivant les besoins, seront indépendants des prêtres ou des religieux espagnols et ne relèveront dudit Vicaire apostolique qu'au point de vue de la discipline ecclésiastique.

Les Gouvernements de la République française et de la République espagnole entreprendront immédiatement de concert, auprès du Saint-Siège, les démarches nécessaires pour obtenir que leur accord sur l'administration religieuse de Tanger reçoive effet et pour qu'en même temps la paroisse française Jeanne d'Arc soit officiellement constituée.

4. Se référant à l'article 39 de la Convention de Paris du 18 décembre 1923, et à l'échange de lettres franco-espagnol du 7 février 1924, le Gouvernement de la République française s'emploiera volontiers, en ce qui le concerne, pour que, pendant la prochaine période statutaire de douze ans, le vérificateur principal espagnol de la douane de Tanger exerce les fonctions de directeur-adjoint de ce service, et, en cas d'absence du titulaire ou de vacances du poste, assure la direction intérimaire du service aux mêmes conditions que le directeur.

5. Pendant la prochaine période statutaire de douze ans, l'attention du Mendoub sera spécialement attirée par le consul général d'Espagne à Tanger sur les titres de deux indigènes musulmans et d'un indigène israélite de Tanger à faire partie de l'Assemblée de la ville.

Il sera procédé à la nomination de ces indigènes après que l'examen de leurs titres aura fait l'objet d'une entente officieuse entre les consuls généraux de France et d'Espagne à Tanger.

6. Le Gouvernement de la République française n'a pas d'objections à ce que l'effectif actuel de la gendarmerie de Tanger soit augmenté dans la limite du maximum de 250 hommes fixé par l'article 6 du règlement de la gendarmerie annexé à la Convention du 18 décembre et à l'Accord du 25 juillet 1928 si les circonstances rendaient cette mesure nécessaire.

7. Les deux Gouvernements sont d'accord pour considérer que la gendarmerie de Tanger formant une unité militaire au service exclusif de la zone, il importe que les différents échelons du commandement travaillent dans un esprit d'étroite et cordiale collaboration indispensable à la bonne marche du service.

8. Les deux Gouvernements, unis dans leur œuvre marocaine par des liens d'amitié et de confiance réciproque, recommanderont à leurs nationaux, fonctionnaires de l'administration tangéroise, de s'inspirer en toutes circonstances des mêmes sentiments pour assurer au mieux de l'intérêt général le bon fonctionnement du statut.

Veuillez, &c.
PIERRE LAVAL.

Enclosure 2 in No. 27.

M. de Cárdenas to M. Laval.

(No. 1B.)

M. le Président, *Paris, le 13 novembre* 1935.

AU moment où, par application de l'article 56 de la Convention de Paris du 18 décembre 1923, modifiée le 25 juillet 1928, le Statut de Tanger va être renouvelé pour une période de douze ans à partir du 14 mai 1936, et comme suite aux entretiens qui ont eu lieu entre votre Excellence et moi ainsi qu'entre M. l'Ambassadeur Aguirre de Carcer et les services compétents du Ministère des

Affaires étrangères, j'ai l'honneur de vous faire connaître que le Gouvernement de la République espagnole est d'accord pour convenir de ce qui suit :

1 (voir texte de la lettre française).
2 id.
3 id.
4 id.
5 id.
6 id.
7 id.
8 id.

Le Gouvernement de la République espagnole me charge d'exprimer à votre Excellence ses vifs remerciements pour la nouvelle preuve d'amicale collaboration que le Gouvernement de la République française a voulu lui donner par le présent accord et qui répond entièrement à l'esprit dans lequel il entend lui-même poursuivre son action au Maroc.

Veuillez, &c.
JUAN F. DE CÁRDENAS.

Enclosure 3 in No. 27.

M. de Cárdenas to M. Laval.

(No. 2A.)
M. le Président, *Paris, le* 13 *novembre* 1935.

AU cours des conversations qui viennent d'avoir lieu pour fixer certaines modalités d'application du Statut de Tanger pendant une période de douze ans à partir du 14 mai 1936, votre Excellence a bien voulu appeler mon attention sur l'intérêt que le Gouvernement français attache à ce que, pendant cette période, le poste de Commissaire Chef de la Police civile continue à être occupé par un Français.

J'ai l'honneur de vous faire connaître que le Gouvernement espagnol, heureux d'entrer dans les vues du Gouvernement français, emploiera volontiers son influence pour que, si le poste en question devient vacant, l'Administrateur de la Zone de Tanger, après entente avec le consul général de France en cette ville, propose à l'Assemblée législative un candidat de nationalité française.

Veuillez, &c.
JUAN F. DE CARDENAS.

Enclosure 4 in No. 27.

M. Laval to M. de Cárdenas.

(No. 2B.)
M. l'Ambassadeur, *Paris, le* 13 *novembre* 1935.

AU cours des conversations qui viennent d'avoir lieu pour fixer certaines modalités d'application du Statut de Tanger pendant une période de douze ans à partir du 14 mai 1936, j'ai appelé l'attention de votre Excellence sur l'intérêt que le Gouvernement français attache à ce que, pendant cette période, le poste de Commissaire Chef de la Police civile continue à être occupé par un Français.

Vous avez bien voulu me faire connaître que le Gouvernement espagnol, heureux d'entrer dans les vues du Gouvernement français, emploiera volontiers son influence pour que, si le poste en question devient vacant, l'Administrateur de la Zone de Tanger, après entente avec le consul général de France en cette ville, propose à l'Assemblée législative un candidat de nationalité française.

J'ai l'honneur de remercier votre Excellence de ces assurances dont le Gouvernement français apprécie hautement l'esprit amical.

Veuillez, &c.
PIERRE LAVAL.

Chapter II.—FRENCH AND SPANISH ZONES AND MISCELLANEOUS.

[W 10318/913/28] No. 28.

Memorandum respecting Spanish Territories in North Africa.

THE territories under the control of Spain in North Africa are as follows :—

(1) The settlements on the Mediterranean coast, namely: Ceuta, the Alhucemas islets, the Peñon de Velez, Melilla, and the Chaffarine islands.
(2) Spanish Morocco, consisting of the northern and southern zones under Spanish Protectorate.
(3) The territory of Ifni.
(4) The Colony of Rio de Oro.
(5) A territory lying between the southern zone of the Spanish Protectorate and the Rio de Oro, which is not yet effectively occupied. [The territories mentioned under (4) and (5) together with the southern zone of the protectorate are adjacent, and are referred to jointly as the Spanish Sahara.]

I.—The Mediterranean settlements are owned in full sovereignty by Spain, and, like the Canary Islands, are considered as part of the metropolis. They were, however, recently placed under the control of the High Commissioner at Tetuan (see W 7399/913/28).

II.—The northern zone of the Spanish Protectorate consists of the north-west corner of Morocco, excluding the international zone of Tangier, and is what is commonly known as the Spanish Zone. For the southern zone see below (IV (*a*)).

III.—By the treaty of 1860 the Sultan of Morocco conceded to Spain a "fishing establishment" at Santa Cruz de Mar Pequeña on the Atlantic coast. The extent of the territory to be comprised by this establishment was defined in the Franco-Spanish Convention of the 27th November, 1912. The Spaniards maintain that this territory has been ceded to them in full sovereignty (article 4 of the Spanish Government's decree of the 29th August, 1934, speaks of "this sovereign territory"). It is understood, however, that the French Government dispute this and hold that Ifni is still under the sovereignty of the Sultan (*i.e.*, presumably that Ifni constitutes part of the Spanish Protectorate in Morocco (see Confidential Print, May 23, 1934, Section 1).

IV.—Some distance south of Ifni there starts a considerable block of territory under Spanish influence or control, which extends southwards along the coast to Cabo Blanco, and is known generally as the Spanish Sahara. This block comprises three separate divisions (which are not, however, distinguished in the ordinary maps) :—

(*a*) The territory between the Wad Draa and latitude 27° 40′ N. constitutes the southern zone of the Spanish Protectorate in Morocco (Franco-Spanish Convention of the 27th November, 1912). This territory is generally known as Cabo Juby.
(*b*) Further south between latitude 27° 40′ and latitude 26° N. lies an unnamed area, in which Spain was accorded full liberty of action by the Franco-Spanish Convention of the 3rd October, 1904. It is recognised by the convention as being outside Moroccan territory. It is not at present effectively occupied.
(*c*) South of this again, between latitude 26° and Cabo Blanco, is the Colony of Rio de Oro (delimited by the Franco-Spanish Convention of the 27th June, 1900).

Foreign Office, January 28, 1935.

[W 658/29/28] No. 29.

Exchange of Notes between His Majesty's Government in the United Kingdom and the French Government regarding contemplated Economic Measures and Reforms in Morocco (the French and Tangier Zones).

NOTE No. 1.

M. Corbin to Sir John Simon.

Ambassade de France en Angleterre,
29 janvier 1935.

M. le Secrétaire d'Etat,

AINSI qu'en a été informé le Gouvernement de Sa Majesté dans le Royaume-Uni, le Gouvernement de la République désire l'introduction au Maroc de certaines mesures et réformes économiques, et des négociations ont eu lieu récemment à ce sujet entre représentants de nos deux Gouvernements.

J'ai l'honneur de faire savoir à votre Excellence qu'en ce qui concerne la zone française, les mesures et réformes que le Gouvernement français se propose d'introduire sont les suivantes.

I.—*Contingentements.*

1. L'importation des produits énumérés à la liste A ci-annexée sera soumise à un régime de contingentement conforme à la règle de l'égalité économique.

2. En conséquence, les contingents seront calculés de la manière suivante:

Un contingent global, pour chacun des produits énumérés à la liste A, sera fixé chaque semestre en prenant pour base les importations de la dernière période correspondante connue en statistique publiée. Ainsi en 1935, le contingentement global du premier semestre sera établi d'après les statistiques du premier semestre 1933, et celui du second semestre d'après les statistiques du second semestre 1934.

A l'intérieur des contingents globaux théoriques ainsi fixés, et qui pourront être augmentés ou diminués selon les nécessités économiques, chaque pays exportateur recevra une part quantitative proportionnelle à ses importations du produit considéré de 1928 à 1933 inclus.

3. Lorsqu'un contingent n'aura pas été épuisé au cours de la période semestrielle pour laquelle il aura été établi, le Gouvernement du Protectorat aura la faculté de reporter le reliquat sur le semestre suivant, quand la demande lui en sera présentée.

4. L'administration des contingents s'effectuera à la diligence du Gouvernement du Protectorat en liaison avec les organismes corporatifs qui seront désignés par le Gouvernement de chacun des pays exportateurs.

II.—*Tarif et Droits de Porte.*

1. En ce qui concerne les droits de douane qui entreront en vigueur en même temps que le régime de contingentement ci-dessus:

Les articles énumérés à la liste B ci-annexée seront soumis à un tarif de 25 pour cent *ad valorem* (y compris la taxe de 2½ pour cent *ad valorem* instituée par l'Acte d'Algésiras), compte tenu des observations mentionnées à ladite liste;

Les produits nécessaires à l'agriculture, tels que machines agricoles, &c., ainsi que les matières premières nécessaires à l'industrie, telles que charbons d'une teneur en produits volatils supérieure à 10 pour cent, &c., seront soumis à des droits réduits. En ce qui concerne ces charbons, ces droits seront de 10 pour cent *ad valorem* (y compris la taxe de 2½ pour cent *ad valorem* instituée par l'Acte d'Algésiras);

Les autres produits, à l'exception de ceux qui bénéficieront de la franchise douanière, feront l'objet d'un tarif d'usage de 15 pour cent *ad valorem* (y compris la taxe de 2½ pour cent *ad valorem* instituée par l'Acte d'Algésiras).

2. Le taux des droits de douane *ad valorem* étant fonction de l'exacte perception de ces droits, le Gouvernement français propose l'adoption par le Gouvernement du Protectorat du projet de règlement ci-annexé destiné à améliorer les conditions de perception de ces droits.

Il demeure entendu que tant que sera en vigueur le régime spécial dont bénéficie le Royaume-Uni au Maroc les amendes et autres pénalités mentionnées à l'article 9 du règlement en question ne seront applicables, en cas de contestation, aux ressortissants britanniques, que d'accord avec les autorités consulaires britanniques d'après une procédure à déterminer par arrangement ultérieur.

3. L'administration de la zone française modifiera l'Arrêté viziriel du 31 juillet 1933, de manière que les droits de porte applicables aux produits ci-dessous énumérés soient les mêmes que ceux applicables aux produits locaux similaires:

Fils et tissus de coton pur ou mélangé et tous articles confectionnés en fils ou tissus de coton pur ou mélangé;

Fils et tissus de lin, de chanvre ou de soie artificielle et tous articles confectionnés en fils ou tissus de lin, de chanvre ou de soie artificielle purs ou mélangés;

Fils et tissus de laine pure ou mélangée et tous articles confectionnés en fils ou tissus de laine pure ou mélangée.

Il est entendu que le Gouvernement de Sa Majesté dans le Royaume-Uni s'engage à appliquer les dispositions, ainsi modifiées, de l'arrêté ci-dessus mentionné aux ressortissants britanniques, de même que les dispositions des autres règlements intervenus en ce qui concerne les droits de porte jusqu'à la date de signature de l'échange de lettres de ce jour, dans la mesure où ces textes n'auraient pas déjà été appliqués aux ressortissants britanniques.

Ces mesures et réformes étant admises, le Gouvernement de la République désire en retour, que, par analogie avec la clause de réciprocité adoptée par le Conseil de la Société des Nations, en septembre 1930, au sujet des mandats A et B, le Gouvernement de Sa Majesté dans le Royaume-Uni lui donne l'assurance de considérer favorablement toute demande qui pourrait être présentée en vue de l'octroi en matière commerciale, aux personnes appartenant au Maroc ou aux marchandises venant du Maroc, d'avantages correspondant à ceux dont bénéficient, au Maroc, les ressortissants britanniques et les marchandises du Royaume-Uni.

Le Gouvernement français propose que les dispositions visées aux alinéas ci-dessus soient mises en vigueur aussitôt que possible après le 1er janvier 1935, d'accord entre le Gouvernement de la République et le Gouvernement de Sa Majesté dans le Royaume-Uni.

Veuillez agréer, &c.
CH. CORBIN.

Liste A.

Produits soumis au Régime du Contingentement à l'Importation.

Ciments.
Tissus de coton.
Tissus de soie naturelle.
Tissus de soie artificielle.
Fers et aciers, ouvrages en fer et acier, machines.
Automobiles et pièces détachées.
Pneumatiques et bandages.
Sucres raffinés.

Liste B.

Produits soumis à l'Importation au droit de 25 *pour cent* ad valorem.

Ciments.
Pâtes alimentaires.
Huiles de graine.(1)
Automobiles et pièces détachées.(2)

Annexe.

Projet de Règlement concernant le Système à adopter pour l'Evaluation des Marchandises en vue de la Perception des Droits de Douane.

Article 1er. Dans les limites du tableau des valeurs maxima ou minima, établi deux fois par an à Tanger par les représentants des trois zones, il sera dressé, en zone française, des mercuriales des cours des principales marchandises d'après lesquelles seront liquidés les droits de douane à l'importation.

La base à adopter pour l'établissement desdites mercuriales sera, en principe, le prix des marchandises de l'espèce suivant les pratiques du commerce normal et au moment où elles seront présentées en douane.

Article 2. Ces mercuriales seront arrêtées par une Commission des Valeurs douanières composée comme suit :

Le Directeur général des Finances, ou son représentant, Président;
Le Chef du Service du Commerce et de l'Industrie, ou son représentant;
Un Président de Chambre de Commerce désigné à tour de rôle par ses collègues, ou son représentant;
Le Chef du Service des Douanes aura voix consultative et remplira les fonctions de secrétaire auprès de la commission, qui pourra s'adjoindre, en outre, des experts désignés par elle.

Article 3. Ne figureront aux mercuriales que les valeurs arrêtées à l'unanimité des trois membres de la commission.

Celles établies en décembre seront applicables du 1er janvier au 30 juin inclus de l'année suivante.

Celles établies en juin, du 1er juillet au 31 décembre de la même année.

Toutefois, si les circonstances le justifient, des modifications pourront y être apportées à la demande de la majorité des chambres consultatives, au cours de ces périodes d'application, par la même commission et suivant la procedure adoptée pour leur établissement.

Article 4. La valeur à déclarer en douane est définie comme ci-après :

(*a*) Marchandises figurant aux mercuriales : valeur qui est inscrite pour chacune d'elles;
(*b*) Autres marchandises : valeur au comptant et en gros de la marchandise rendue au bureau de douane, et franche de droits de douane et de magasinage.

Article 5. Quelle que soit la nature de la marchandise, l'importateur qui éprouve des doutes au sujet de la valeur à déclarer pourra, avant d'établir sa déclaration en détail, déposer en douane une demande d'estimation préalable.

Cette demande devra être appuyée par les documents nécessaires pour déterminer la valeur définie ci-dessus.

L'estimation ainsi prononcée par l'Administration peut être récusée par le redevable, qui établit librement la déclaration de détail définitive.

(1) Le Gouvernement du Protectorat envisage le dégrèvement de certaines catégories de ces produits afin de se ménager la possibilité de conclure des arrangements commerciaux.
(2) Ce droit pourra être transformé en droit spécifique.

Article 6. Lorsqu'il y a désaccord entre la douane et le déclarant sur la valeur d'une marchandise et que le redevable refuse d'accepter celle fixée par l'Administration, le différend peut être réglé, séance tenante, par le prélèvement en nature ou la préemption dans les conditions fixées par l'article 85 de l'Acte d'Algésiras.

Toutefois, ce mode d'arbitrage ne pourra être appliqué qu'avec le consentement des deux parties. Si l'une des deux le récuse, le différend sera déféré à une commission d'appel, soit directement, soit, si le déclarant le demande, après intervention d'experts légaux. La demande de recours à l'expertise doit être remise dans les quarante-huit heures qui suivent la notification du désaccord.

Article 7. La Commission d'Appel est composée :

Du président du tribunal du ressort ou de tout autre magistrat désigné par lui, président;
Du chef du Service du Commerce et de l'Industrie ou d'un fonctionnaire de cette administration désigné par lui;

et d'un membre désigné par le redevable.

Cette commission délibère valablement avec deux membres présents.

Le chef du Service des Douanes aura voix consultative et remplira les fonctions de secrétaire auprès de la Commission d'Appel.

Article 8. En cas de recours à l'expertise légale, celle-ci fonctionnera dans les conditions prévues à l'arrêté viziriel du 10 janvier 1920.

Si les deux experts tombent d'accord, la Commission d'Appel enregistre purement et simplement leur décision. Dans le cas contraire, elle arbitre après avoir consulté, si elle le juge utile, un tiers expert désigné par elle.

Soit qu'elle ait été saisie directement ou après consultation d'experts, la Commission d'Appel décide en dernier ressort et ses décisions, prises à la majorité des voix, sont définitives.

Article 9. La fausse déclaration de valeur, qu'elle résulte, soit d'un acquiescement du déclarant à l'estimation de l'Administration, soit d'une décision de la Commission d'Appel avec ou sans recours aux experts, est punie d'une amende n'excédant pas le quintuple du droit compromis.

En cas de tromperie au moyen de factures ou autres documents reconnus faux, la confiscation de la marchandise s'ajoutera au maximum de l'amende ci-dessus énoncée.

Article 10. Pour les déclarations de marchandises non reprises aux mercuriales, le service pourra exiger la production des factures d'origine certifiées par les autorités du lieu d'expédition (Douane, Chambre de Commerce, Président de Tribunal de Commerce ou autres organismes similaires).

(Translation.)

NOTE No. 1.

M. Corbin to Sir John Simon.

[See Annex 1 to Confidential 14630 at back of volume.]

NOTE No. 2.

Sir John Simon to M. Corbin.

[See Annex 1 to Confidential 14630 at back of volume.]

NOTE No. 3

M. Corbin to Sir John Simon.

Ambassade de France en Angleterre,
M. le Secrétaire d'État, 29 *janvier* 1935.

J'ai l'honneur d'accuser réception à votre Excellence de sa note (No. 2) relative à certaines mesures et réformes économiques à introduire au Maroc.

Je suis chargé de lui faire savoir que le Gouvernement français, tout comme le Gouvernement britannique, entend réserver intégralement son point de vue juridique sur la question.

Il reste néanmoins d'accord pour régler celle-ci en pratique conformément à l'échange de notes (Nos. 1 et 2) intervenu entre votre Excellence et moi-même.

Veuillez agréer, &c.
CH. CORBIN.

(Translation.)

NOTE No. 3.

M. Corbin to Sir John Simon.

[See Annex 1 to Confidential 14630 at back of volume.]

M. Corbin to Sir John Simon.

(Confidentiel.) *Ambassade de France en Angleterre,*
M. le Secrétaire d'État, 29 *janvier* 1935.

Me référant à l'échange de notes en date de ce jour au sujet de certaines mesures et réformes économiques qu'il est désirable d'introduire au Maroc, j'ai l'honneur de vous fournir les explications supplémentaires ci-dessous.

1. En ce qui concerne la Section I, paragraphe 2, de ma note (No. 1), il est entendu que, pour l'année 1935, les quantités totales de cotonnades qui seront admises ne seront pas inférieures aux chiffres des statistiques pour les six premiers mois de 1933 et les six derniers mois de 1934 respectivement.

Si, à l'avenir, les autorités du Protectorat considèrent qu'il est nécessaire de réduire les contingents globaux applicables aux cotonnades par rapport aux quantités de ces produits qui ont été importées pendant la période de référence appropriée, elles devront obtenir l'agrément du Gouvernement de Sa Majesté avant toute réduction de cette nature.

2. Si, durant la période de 1928 à 1933 inclus, les importations du Royaume-Uni de produits de toute nature faisant l'objet d'un contingent se sont élevées à moins de 5 pour cent en quantité des importations totales en zone française de ces produits, les importations de ces produits originaires et en provenance du Royaume-Uni pourront, sur la demande qui en sera présentée par le Gouvernement britannique, être autorisées à concurrence de 5 pour cent du total des importations autorisées dans la zone.

3. En ce qui concerne la Section I, paragraphe 3, le Gouvernement français s'engage à intervenir pour qu'il soit tenu compte de toute demande présentée par le Gouvernement de Sa Majesté dans le Royaume-Uni en vue du report sur le second semestre de toute part du contingent applicable aux cotonnades qui n'aurait pas été épuisée durant le premier semestre. En outre, à titre exceptionnel sur la demande qui en serait présentée par le Gouvernement de Sa Majesté dans le Royaume-Uni, un report n'excédant pas 10 pour cent du contingent du deuxième semestre pourra, en ce qui concerne les cotonnades, être autorisé sur le contingent du premier semestre de l'année suivante.

4. En ce qui concerne la Section I, paragraphe 4, le Gouvernement français s'engage à autoriser l'administration du contingent de cotonnades du Royaume-Uni par une organisation du Royaume-Uni désignée par le Gouvernement de Sa Majesté, dans les mêmes conditions que celles appliquées à l'importation de cotonnades du Royaume-Uni dans la France métropolitaine et l'Afrique occidentale française.

En outre, les autorités du Protectorat examineront avec sympathie toute demande qui pourrait être présentée par le Gouvernement du Royaume-Uni pour transférer à des organisations du Royaume-Uni la gérance de tout contingent intéressant le commerce du Royaume-Uni.

De plus, en ce qui concerne l'administration des contingents, le Royaume-Uni recevra, sur toute demande présentée à cette fin par son Gouvernement, aux mêmes conditions et sous les mêmes réserves, le traitement le plus favorable accordé à tout autre pays à l'égard des mêmes produits.

Veuillez agréer, &c.
CH. CORBIN.

(Translation.)

M. Corbin to Sir John Simon.

(Confidential.) *French Embassy,*
Your Excellency, *London, January* 29, 1935.

In connexion with the exchange of notes of this day's date, relating to certain economic measures and reforms which it is desired to introduce in Morocco, I have the honour to furnish the following supplementary explanations :—

(1) With reference to Section I, paragraph 2, of my Note No. 1, it is understood that in the year 1935 the total amounts of cotton goods to be admitted will not be less than the figures yielded by the statistics for the first six months of 1933 and the second six months of 1934 respectively.

If at any subsequent time the Protectorate authorities should consider it necessary to make any reduction of the amounts of the global quotas applicable to cotton goods below the amounts actually imported in the relevant "period of reference," they will obtain the concurrence of His Majesty's Government in the United Kingdom before making any such reduction.

(2) If in the period 1928 to 1933, inclusive, the imports from the United Kingdom under any given quota heading, relating to any goods, amounted to less than 5 per cent. by quantity of the total imports into the French Zone falling under that heading, imports of the goods in question from the United Kingdom may, on request made by His Majesty's Government in the United Kingdom, be permitted up to 5 per cent. of the total permitted imports into the zone.

(3) With reference to Section I, paragraph 3, the French Government undertakes to intervene to secure the granting of any request made by His Majesty's Government in the United Kingdom for the carrying over from the first half of any quota year to the second half of any unused portion of a quota applicable to cotton goods. Further, on request made by His Majesty's Government in the United Kingdom, a carry over not exceeding 10 per cent. of the quota for the second half-year may in the case of cotton goods be exceptionally granted to the first half of the following year.

(4) With reference to Section I, paragraph 4, the French Government undertakes to permit the administration of the United Kingdom cotton quotas to be carried out by an organisation in the United Kingdom, to be designated by His Majesty's Government, under conditions similar to those applying to the importation of United Kingdom cotton goods into metropolitan France and into French West Africa.

Further, the Protectorate authorities will give sympathetic consideration to demands which may be put forward by the United Kingdom Government for the transfer to organisations in the United Kingdom of the management of any quotas of interest to United Kingdom trade.

Moreover, in regard to the management of the quotas, the United Kingdom shall, if in any case a request to this effect is made by His Majesty's Government in the United Kingdom, receive under the same conditions and reservations, the most favourable treatment accorded to any other country in respect of like products.

I have, &c.
CH. CORBIN.

NOTE No. 4.

M. Corbin to Sir John Simon.

Ambassade de France en Angleterre,
29 janvier 1935.

M. le Secrétaire d'Etat,

Le Gouvernement de la République représentant Sa Majesté chérifienne désire l'introduction dans la Zone de Tanger de certains droits de douane majorés qui sont spécifiés à l'annexe à la présente note, et souhaiterait savoir si le Gouvernement de Sa Majesté dans le Royaume-Uni est d'accord sur cette proposition.

Il demeure entendu que si le Gouvernement de Sa Majesté acceptait cette proposition, celle-ci ne pourrait entrer en vigueur que quand les conditions prévues à l'article 8 du Statut de Tanger auraient été remplies.

Veuillez agréer, &c.
CH. CORBIN.

Annexe relative à l'application de majorations douanières dans la zone de Tanger.

1. Les articles énumérés à la liste ci-dessous seront soumis à un tarif de 25 pour cent *ad valorem* (y compris la taxe de 2½ pour cent *ad valorem* instituée par l'Acte d'Algésiras) compte tenu des observations mentionnées à ladite liste.

Produits soumis, à l'importation dans la zone de Tanger, au droit de 25 *pour cent* ad valorem.

Ciments.
Pâtes alimentaires.
Huiles de graines.(1)
Automobiles et pièces détachées.(2)

Les produits nécessaires à l'agriculture, tels que machines agricoles, &c., ainsi que les matières premières nécessaires à l'industrie, telles que charbons d'une teneur en produits volatils supérieure à 10 pour cent, &c., seront soumis à des droits réduits. En ce qui concerne ces charbons, ces droits seront de 10 pour cent *ad valorem* (y compris la taxe de 2½ pour cent *ad valorem* instituée par l'Acte d'Algésiras).

Les autres produits, à l'exception de ceux qui bénéficieront de la franchise douanière, feront l'objet d'un tarif d'usage de 15 pour cent *ad valorem* (y compris la taxe de 2½ pour cent *ad valorem* instituée par l'Acte d'Algésiras).

2. Le taux des droits de douane *ad valorem* étant fonction de l'exacte perception de ces droits, le Gouvernement français, représentant Sa Majesté chérifienne, propose l'adoption pour la zone de Tanger d'un règlement destiné à améliorer les conditions de perception de ces droits.

(Translation.)

NOTE No. 4.

M. Corbin to Sir John Simon.

[See Annex 1 to Confidential 14630 at back of volume.]

NOTE No. 5.

Sir John Simon to M. Corbin.

[See Annex 1 to Confidential 14630 at back of volume.]

(1) Le dégrèvement de certaines catégories de ces produits est envisagé afin de permettre la conclusion d'arrangements commerciaux.
(2) Ce droit pourra être transformé en droit spécifique.

[W 1770/894/28] No. 30.

MEMORANDUM ON ADJUDICATIONS IN MOROCCO.

Treaty provisions and regulations (paragraphs 1-14).

THE basis of the adjudication system in Morocco is found in articles 61, 66, 74, 105 to 111 of the Act of Algeciras of the 7th April, 1906, copy of which is attached (Annex I).

2. The main provisions are those contained in articles 105 to 111. They are based on the application of the principle of economic liberty without inequality (article 105), and provide that, in the event of any concessions being granted for the exploitation of "public services or the execution of public works," as well as in the case of concessions for State supplies ("fournitures d'Etat"), the principle of public adjudication without distinction of nationality must be applied in respect of all materials to which this principle is generally applicable (articles 106, 107).

3. As required by article 110, regulations in regard to adjudications in general, and those chargeable on the "Fonds de la Caisse spéciale" in particular, were elaborated in 1908 in agreement between the Diplomatic Body and the Shereefian Government.

Regulations for adjudications in general.

4. The regulations regarding adjudications in general applied to all public works executed under articles 61, 74 and 105 to 109 of the Act of Algeciras, that is to say works in connexion with municipal roads and hygiene, improvements and conservancy in towns (article 61), opium, kif and tobacco monopolies (article 74), or in connexion with those referred to in paragraph 2 above. Extracts of the articles of these regulations are given in Annex II.

Adjudications Commission.

5. Under these regulations, adjudications in general were governed by a "Commission générale des Adjudications et des Marchés," composed of two Shereefian delegates, two delegates of the Diplomatic Corps, one delegate of the department interested, together with a technical expert, with a consulting voice, appointed at the request of one of its members, and a delegate of the State Bank, with a consulting voice. The commission were also charged with the functions of the "Bureau d'Adjudication." The procedure for adjudication was for the Makhzen to inform the commission of the proposed work, the commission to instruct the department concerned to draw up details, "cahiers des charges," &c., and submit them to the Makhzen for approval. The adjudication was not to be notified to the parties interested, and not to become definitive until the Sultan's approval was obtained. Except as modified by the articles of the regulations for adjudications in general, the latter were to be subject to the same rules as those laid down for adjudications chargeable on the "Caisse spéciale."

Caisse spéciale

6. The "Caisse spéciale" was established to deal with the funds provided by the special tax of 2½ per cent. *ad valorem* levied on all goods imported into Morocco under article 66 of the Act of Algeciras for the purpose of forming a special fund for the execution of public works "intended for the development of navigation and commerce in general in the Shereefian Empire." The regulations drawn up to govern such adjudications contain detailed rules in respect of (*a*) public adjudications, (*b*) "marchés de gré à gré ordinaires" (articles 24–27), (*c*) marchés de gré à gré après concours (articles 28–31). Extracts from the "Caisse spéciale" regulations are given in Annex III.

7. Article 2 of the regulations provided that: "Les marchés de travaux, fournitures ou transports effectués sur les fonds de la Caisse spéciale sont faits avec concurrence et publicité," except as regards the exceptions in respect of "marchés de gré à gré."

Comité spécial

8. A "Comité spécial" was set up to deal with works to be executed from the funds of the Caisse. This committee was composed of three Shereefian

delegates, five delegates of the Diplomatic Corps, one delegate of the Sanitary Council (replaced by a municipal delegate when municipal organisations were instituted), together with one engineer with a consultative voice. The programme of works and order of priority were drawn up by the Comité spécial and submitted first to the Diplomatic Corps and then to the Makhzen. After approval by them, notice of adjudication was published at least 100 days before the adjudication date in the *Bulletin officiel* or three newspapers (except in the case of urgency, in which there was a minimum of sixty days). The "cahier des charges" was submitted to the "Comité spécial," who notified it to the Makhzen and the Diplomatic Body simultaneously. The public adjudication was held by a body composed of one Shereefian delegate, five delegates of the Diplomatic Corps, and the engineer, under the chairmanship of the president of the "Comité spécial." The results of the adjudication were forwarded to the Makhzen.

Caisse spéciale regulations.

9. The "Caisse spéciale" regulations provided for important exceptions to be made from the procedure laid down for adjudications in Morocco in the cases of two categories of what are termed "marchés de gré à gré, (*a*) marchés de gré à gré ordinaires, (*b*) marchés de gré à gré après concours" (see articles 24–31 in Annex III).

Definition of "marché de gré à gré."

10. Ordinary "marchés de gré à gré" are for minor works, the cost not to exceed a certain amount (in the 1908 regulations, 3,000 Moorish dollars gold, or in the case of a contract extending over several years, but not exceeding five years, 1,000 Moorish dollars, but these figures have since been modified). An important provision (article 24 (5)) authorised "marchés de gré à gré" for "supplies, transports or works, which in cases of manifest urgency brought about by unforeseen circumstances cannot suffer the delay of an adjudication."

Definition of "concours."

11. A "concours" ("marché de gré à gré après concours")—see article 28—is resorted to for undertaking any work of a special nature, for which only a limited number of firms possess the necessary qualifications, as, for instance, the optical apparatus for a lighthouse. The contract is awarded after open competition. A programme is drawn up and the firms in question are invited to submit their proposals. These proposals are examined and the one that appears most satisfactory as regards price and other points of view is adopted.

Definition of adjudication.

12. In the case of an *adjudication* proper, as opposed to a "concours," a complete scheme of works to be executed is drawn up, accompanied by a "cahier des charges" stating the conditions under which the work is to be carried out, and a "bordereau" stating all the various prices. Tenders are then invited and the work allotted to the firm offering the largest reduction in price.

Effect of Franco-German Agreement of 1911.

13. The privileges secured under the Act of Algeciras were modified as regards certain Powers by the terms of the Franco-German Agreement of the 4th November, 1911. His Majesty's Government acceded to this agreement, but the United States Government, which was a party to the Act of Algeciras, have never accepted it. This agreement provides in article 6, copy of which is attached (Annex IV), that the French Government will see to it that works and supplies required for the construction of roads, railways, ports, telegraphs, &c., will be granted in accordance with the rules of adjudication, and that such rules will not place the nationals of any Power in a position of inferiorty. It goes on to provide, however, that the exploitation of such "grandes entreprises" as those above mentioned may be "librement concédées à des tiers" by the Moroccan Government. It is considered that this clause applies only to the grant of a concession for exploitation, whilst the principle of adjudication must still be applied as regards the construction of the works and the supply of the materials required for this construction.

14. The adjudication procedure has been further modified by the liquidation of the "Caisse spéciale" (paragraph 37 below), by the dahir of the 9th June, 1917, as regards the French Zone (paragraph 38 below), and by the Tangier Convention of 1923 (including the abolition of existing committees and commissions) and dahir of the 15th May, 1925 (paragraphs 43–50 below).

15. It will be seen from the diplomatic correspondence that has passed that the loophole afforded by the regulations in allowing recourse in certain circumstances to "marchés de gré à gré" and to "concours" has been taken full advantage of and has given rise to frequent disputes between the Powers.

Tangier drainage works dispute (1908).

16. Soon after the signature of the Act of Algeciras friction arose between the foreign representatives at Tangier owing to an attempt to secure for German firms a contract for certain drainage works at Tangier without submission to adjudication. As a compromise, the Moorish Government were eventually authorised to come to an arrangement with a German firm for the execution of certain small but urgent works, at a cost of about £10,000; a larger and more comprehensive scheme was to be submitted to the Algeciras adjudication procedure. No effect was given to this compromise solution, and, in 1908, a development took place consisting of an attempt to secure for the German firm, without recourse to adjudication, not only the small works but additional works, the total cost being estimated at some £23,800. His Majesty's Government considered that the setting aside of the Algeciras Act in this matter involved a serious risk of allowing the adjudication clauses to become a dead letter and of British firms being excluded from contracts in Morocco. Consequently, it would have to be clearly understood that the case was not to be a precedent and if agreed to it was only because the Germans had been in negotiation for something of the kind before the Algeciras Act. The French representative at Tangier was prepared to support His Majesty's Minister in obtaining a declaration that the German proposal should not form a precedent. The formula eventually adopted at Tangier in May 1908 ran:—

Confl., 9329, No. 22.

Confl., 9329, No. 31.

Confl., 9329, No. 63.

> "Il est entendu que l'adoption de ce projet ne constitue pas un précédent et que le principe de la liberté économique pour l'industrie publique et le principe de l'adjudication établis par l'Acte d'Algésiras seront appliqués sans exception à l'avenir dans tous les ports du Maroc sauf pour les travaux déjà autorisés et dont il est question dans le procès-verbal de la dix-huitième séance de la Conférence d'Algésiras."

Casablanca harbour works dispute.

17. At the end of 1911, a scheme for harbour works at Casablanca was put forward by the French, which gave rise during the following year to a considerable amount of trouble. The original scheme was for the work to be financed equally by the "Caisse spéciale" and by the Shawia indemnity funds. The French then proposed an amended scheme, the cost of which was to be borne wholly by the Shawia indemnity funds, and contended that, as foreign capital would not be involved, article 106 of the Algeciras Act would not apply, and also that, as the works were urgent, recourse should be had to a "marché de gré à gré," the adjudication procedure thus being waived. The French Government also referred to the precedent in which a German firm had been given a contract in 1908 for drainage works at Tangier without adjudication. As regards the point as to the Shawia indemnity not being "foreign capital," His Majesty's Government pointed out to the French Ambassador in London that if this were admitted, there was nothing to prevent any foreign Government from advancing money for some work and then claiming the right to execute it, thus frustrating the object of public works being submitted to adjudication. As regards the German precedent, His Majesty's Government referred to the formula adopted in that case by which it had been agreed that it should not constitute a precedent. His Majesty's Government were willing, as regards the absolutely urgent work, to waive their rights, but the rest of the works should be subject to a "marché de gré à gré après concours." In a further note of the 19th February, 1912, the French Ambassador in London was informed that His Majesty's Government were willing to agree to such part of the works as was urgently required and could be begun immediately being awarded without the formalities of adjudication. As regards the remaining works, His Majesty's Government were unable to depart from the view that they must be submitted to adjudication in the usual manner. At the same time, as it was learnt that instructions had been issued to commence immediate work on the scheme before the consent of His Majesty's Government had been given, His Majesty's Government placed on formal record their opinion that, in future, no contracts for public works in Morocco should be awarded except by adjudication in accordance with the regulations. In a note of the 20th March, 1912, communicated by His Majesty's Minister in Paris to M. Poincaré, it was stated that His Majesty's Government could not consent to put aside entirely the important principle of adjudication solemnly guaranteed by treaties, that His Majesty's Government had agreed to waive their rights as regards the really urgent portions of the works, but that Sir E. Grey did not consider there was any reason for departing from the principle of adjudication

4232/13/1912

To M. Cambon, February 12, 1912. [4232/13/1912]

6015/13/1912

12098/13/1912

in regard to the rest of the works and therefore felt that in justice to British interests he could not defend any further infringements of so important a treaty right. The arrangement arrived at was that three works were to be submitted to a "marché de gré à gré," to which was added later another small piece of work.

25321/13/1912 In connexion with this additional piece, the British member of the Public Works Committee at Tangier made an annotation on the circular relating to the matter in which he expressed his agreement to the "marché de gré à gré," but added: "je dois observer que mon Gouvernement ne saurait approuver d'autres propositions de ce genre. Je prie, donc, le Comité de vouloir bien dorénavant prendre les mesures nécessaires afin d'assurer que tout travail qui serait à faire puisse être soumis à leur considération à temps, et qu'on puisse procéder à une adjudication selon le Règlement." As regards the remaining sections of the work it

16548/16869/13/1912 was at one time decided that they should be subject to a proper adjudication (not a "marché de gré à gré après concours"), with, however, a shortened period of notice of sixty days, in view of the urgency. It transpired, however, that there

22799/24520/25320/41997/13/1912 was no possibility of these sections being done before the winter, and the truncated adjudication was withdrawn and a larger and more serious scheme decided on to be carried out in accordance with the adjudication regulations. This was done, the period of notice being fixed at 120 days. Thus, while certain small urgent works were awarded by a "marché de gré à gré," the major portion of the works in this case were subject to a public adjudication in accordance with the regulations.

Views of M. Poincaré (1912).

Confl., 10109, No. 83.

18. In February 1912 His Majesty's Ambassador at Paris had an interview with M. Poincaré, when the latter said that the French Government held that on the completion of the French protectorate, the Makhzen, *alias* the French Government, would be entitled to grant to French or other companies, as they might desire, concessions for railways, but that the work of construction and the supply of materials must be by adjudication. (Compare article 6 of the Franco-German Agreement of 1911.) He also stated that, as Tangier was to be internationalised, the French Government would not be free to grant a concession for the construction of a port there.

19. In a speech in the Chamber of Deputies on the 1st July, 1912, regarding the Bill for the establishment of a French protectorate in Morocco, M. Poincaré made the following remarks on adjudications in Morocco:—

Confl., 10227, No. 18.

> "Je ne dois pas dissimuler d'ailleurs que si l'État peut revendiquer l'exploitation de tous les services publics au Maroc, il sera, en revanche, très souvent gêné—je l'ai dit à la commission et je ne puis que le répéter à la tribune—il sera très souvent gêné en ce qui concerne les travaux et les fournitures par la règle de l'adjudication si sévèrement inscrite dans l'Acte d'Algésiras et reproduite seulement dans le traité du 4 novembre, car il ne faut pas croire que ce soit une charge du traité du 4 novembre: c'est une charge antérieure qui remonte à l'Acte d'Algésiras. Cette règle est une des plus lourdes hypothèques qui pèse sur notre protectorat, et en maintes occasions, malgré les tempéraments qu'elle peut comporter, elle a déjà paralysé ou risqué de paralyser des travaux d'une extrême urgence. Elle ne saurait, d'ailleurs, s'appliquer, cela va de soi, à des ouvrages de défense et de sécurité militaires. Mais dans la mesure où elle doit contractuellement s'exercer, elle est, il faut en convenir, fort gênante pour notre liberté."

The "tempéraments" mentioned by M. Poincaré may have reference to the "marchés de gré à gré" and the "concours."

Application of regulations to municipal works.

7331/7331/1914

20. In 1914 the proposed installation of electric plant at Fez was the occasion for a contention by the French that *municipal*, as distinct from Government, works did not come within the adjudication procedure of the Algeciras Act. The Germans were the protagonists in arguing this point with the French, but His Majesty's Government did express their views. In February 1914 the German Ambassador in London was informed that Sir E. Grey was of the view that, as the municipalities in the French and Spanish Zones were practically under the control of the French and Spanish Governments, it would be contrary to the spirit of the Act of Algeciras if concessions for municipal works were to be decided otherwise than by adjudication. His Majesty's representative at Tangier had been authorised to express this view to his French

colleague. In a memorandum, dated the 24th June, 1914, which was communi- 26311/7331/1914
cated to the French Embassy in London, Sir E. Grey adduced certain considerations which, apart from the spirit of the Algeciras Act, supported the view that the adjudication procedure was applicable to municipal works. The "Règlement sur les Adjudications en général," both in the preamble and in the first article, especially refers to works paid for out of the portion of the "taxe urbaine" handed over to the municipalities, and it seemed clear, therefore, to have been the intention that municipal works should come within the regulations. The sewer work at Tangier, in connexion with which the formula set out in paragraph 16 above was drawn up, was municipal, and it was at the request of the Sanitary Council that it was undertaken. The French Government themselves appeared formerly to have held the view that all public works, of whatever nature, should come under articles 106–110 of the Algeciras Act. In a despatch of the 10th May, 1907, to M. Pichon, the French Ambassador at Berlin wrote: "J'ai eu ce matin avec le Secrétaire d'État des Affaires étrangères une conversation dans laquelle je suis revenu sur la question des travaux publics à Tanger, et j'ai insisté sur ce point que tous les travaux quels qu'ils fussent, dont la concession était postérieure à l'Acte d'Algésiras, devaient être faits par adjudication." A circular issued by the French Resident-General at Rabat in 35161/7331/1914
June 1914, regarding municipal works, contained no reference to the necessity of submitting such works to public tender. Though this omission was rather significant, the point was not raised by His Majesty's Government in view of the outbreak of war, especially as there was no concrete case to go on.

Fedalla port works.

21. In 1914 a project for the construction of port works at Fedalla came under consideration. Two French gentlemen connected with the French company "La Compagnie du Port Fedalla," in a conversation at His Majesty's Embassy at Paris, stated that, in order to comply with the Algeciras Act, it would, in the proper course, be necessary to have recourse to international adjudication for the works, but that it was merely a question of form, and that as soon as an agreement with the British and German Governments had been arrived at, it would, no doubt, be possible to avoid an official adjudication. On instructions from the Foreign Office, His Majesty's Ambassador, in a note to the French Government of the 29th April, 1914, stated that the view that the obligations 19141/5597/1914
under the adjudication provisions of the Algeciras Act were a formality which could be disposed of by private arrangement between contractors or groups was a mistaken one. His Majesty's Government attached the greatest importance to upholding the solemn international agreement on this point. In their reply the French Government explained that the conversation at the British Embassy did not bear the interpretation which His Majesty's Government had placed on it, and the assurance was given that "le Gouvernement de la République est, 21276/5597/1914
comme le Gouvernement du Roi, fermement décidé à maintenir en matière d'adjudication des travaux publics les principes posés par les traités."

22. In 1915 cases occurred in both the French and Spanish Zones, in which it appeared that the adjudication regulations had been ignored.

Cases of short notice and recourse to "marchés de gré à gré" in French Zone (paragraphs 23–27).

23. As regards the French Zone, His Majesty's Minister at Tangier reported in May 1915 that two notices had been published calling for tenders for certain works, which gave such short notice that it was practically impossible for any but local firms to compete. His Majesty's Ambassador at Paris was instructed to bring the cases to the notice of the French Government, and to state that while His Majesty's Government had no desire to hamper the French Government in the execution of work which might be rendered urgent by the 61682/39528/1915
exceptional situation, they attached the utmost importance to the maintenance of the general principle that tenders for public works should be made in accordance with the stipulations of the Algeciras Act. In their reply of the 111467/39528/1915
7th August, 1915, the French Government explained that the reason for the non-intervention of the "Commission générale des adjudications," was that General Lyautey "allègue que, dans les deux cas, il était nécessaire, pour des raisons d'ordre politique et économique de première importance, d'éviter les délais que l'application du règlement eût imposés." The French Government were confident that the explanation would convince His Majesty's Government that the French Protectorate "n'a cherché à se dérober à aucun de ses engagements, et que les mesures qu'il a prises sont justifiées par le souci d'assurer notre succès

commun dans le conflit actuel. La Résidence générale a tenu en toutes circonstances à observer strictement le principe de l'égalité économique; personne n'a été éliminé *a priori* de l'adjudication et c'est uniquement en tenant compte des références techniques et financières produites que la liste des soumissionnaires a été arrêtée." As regards the "marchés de gré à gré" to which it had been necessary to have recourse on several occasions, it was pointed out that there had been no intention of reserving the benefits to French firms and of excluding foreign firms, and as evidence of this, referred to orders which had been given to British and other foreign undertakings.

Effect of recognition of French protectorate.

24. The French reply of the 7th August, 1915, concluded with an expression of the view that has been put forward in connexion with consumption duties. "*L'adhésion du Gouvernement britannique au Traité de Protectorat franco-marocain a pour conséquence la reconnaissance du droit du Gouvernement de la République d'apporter toutes modifications reconnues utiles aux règlements issus de l'Acte d'Algésiras.* Mais le Gouvernement du Protectorat ne cessera pas de se conformer à l'esprit de tous les actes internationaux en vigueur et notamment des accords du 8 avril 1904 en demeurant en toute circonstance fidèle au principe de l'égalité économique."

128641/39528/1915

25. His Majesty's Minister at Tangier, whose observations were invited on this point, stated: "The claim made by the French Government is a large one, though I take it that they recognise that they must respect the principles of the Algeciras Act and other existing treaty rights of British subjects. To admit the claim would oblige us to accept and apply to British subjects all the dahirs and 'arrêtés' that have been, or may in future be, issued, some of which . . . . are detrimental to the interests of British subjects." Sir H. White contemplated that eventually the French claim would have to be admitted, but to admit it at once, before a corresponding agreement was come to in regard to Egypt, would weaken our position when negotiating on that subject. He also pointed out that the French Government held the moment a favourable one for establishing a *fait accompli* in such matters.

26. About the same time Sir H. White reported the publication of a notice for certain further works in the French Zone, for which the time allowed was so short that it precluded any firm not on the spot from tendering. The works were of no great importance, and it was unlikely that any British firm would have tendered had the adjudication regulations been followed, but the class of works for which tenders were being irregularly invited was being extended, and it looked as if the same system would be followed in regard to all public works to be undertaken during the war. In Sir H. White's opinion, the position of His Majesty's Government was a delicate one; the Italian Government had been given certain assurances by General Lyautey (see paragraph 28) with which they would apparently be satisfied, and no other Government had made any protest. It would therefore be difficult for His Majesty's Government, as allies, to pursue the matter further.

128640/39528/1915

His Majesty's Government suspend official representations to France during war.

157660/83820/1916

27. The cases of short notice reported by Sir H. White were communicated to His Majesty's Ambassador at Paris, who was informed that His Majesty's Government did not wish them to be the subject of further official representations, but that it was left to his discretion to mention them unofficially to the French Government. Lord Bertie informed M. Jules Cambon in August 1916 that though the cases in question were perhaps of no great importance, and His Majesty's Government did not wish to make any representations, they desired to put it on record that the cases had not escaped notice and that they were not prepared to recognise such *faits accomplis* as in any way to be taken as impugning their conventional rights.

French assurances to Italian representative at Tangier.

125271/39528/1915

28. The assurances which were given by General Lyautey to the Italian Chargé d'Affaires in the summer of 1915 were to the effect that it was of the greatest importance both from the political and military point of view that the public works, concerning which complaints had been made, should be pushed on as rapidly as possible during the war. He assured him that there was no intention of departing from the spirit of the Algeciras Act and that after the war the provisions of the Act would be observed, though the French Government would probably ask the Powers to agree to some modification of the procedure

laid down in the Act and regulations thereunder, whilst maintaining intact the principle of the economic equality of all nations in public works.

29. This language was similar to that previously held to Sir H. White by the head of the Bureau diplomatique at the Rabat Residency, who, while admitting infringement of the Algeciras Act, stressed the urgency of the works both from the political and military point of view. Sir H. White pointed out that it was important that treaty engagements should be observed, and that, if a departure therefrom was passed without protest, a precedent was created. He trusted that in future care would be taken to conform with the requirements of the Algeciras Act. The line taken by Sir H. White was approved.

98601/39528/1915

30. In August 1915 the Italian Ambassador in London addressed a memorandum to the Foreign Office referring to the action of the French protectorate authorities in disregarding the procedure under the Algeciras Act as regards adjudications on the plea of the abnormal political condition of the country. The Italian Government were prepared to take the greatest possible account of the reasons put forward by the French authorities, but considered it desirable that the exceptions made should not constitute a precedent for the future. In reply, it was stated that His Majesty's Government had made clear to the French Government the importance they attached to the exact observance of the Algeciras Act except in cases where the abnormal conditions called for special action, and they had reserved their rights under the Act.

111992/39528/1915

Italian attitude.

31. Correspondence also took place in 1915 regarding the action of the Spanish Government in entering into a contract with a German firm for harbour works at Larache and in giving a concession to the same firm for the construction of a railway from Larache to Alcazar. The French Government, who were not directly interested in the works, but to whom the views of His Majesty's Government were communicated, took the line that the Spanish Government were at liberty to grant the concession, subject to the reservation that the materials required for the works must be submitted to the adjudication procedure. As regards railways, the French Government agreed that, while the material for a military railway could be purchased without adjudication, the material and works for a public railway must be the subject of adjudication.

Short notice for tenders in Spanish Zone (paragraphs 31–33).

39528/92224/39528/1915

92224/39528/1915

32. In June 1915 His Majesty's Ambassador at Madrid was instructed to inform the Spanish Government of the views of His Majesty's Government. His Majesty's Government considered that the Algeciras Act had been violated by the clause in the original contract giving the German firm an option on the construction of further works, though it was noted that the Spanish Government had not yet come to any decision as to such new works. It was also considered that the Act had been violated by the failure of the German firm to put up to tender the actual work of construction, both as regards the harbour works and the railway, which had been converted from a narrow-gauge military line into a broad-gauge line of commercial character. His Majesty's Government wished to set forth their views of the obligations imposed by the Act of Algeciras, but they did not desire to choose the moment for a full discussion of the question of principle. The Spanish Government, however, pointed out that the contract for the harbour works had been drawn up in virtue of agreements previous to the Act of Algeciras, so that no responsibility rested on Spain for the wording of the contract in general or for the particular clause granting the German firm the option of future works; in any case, no decision had been taken as regards that particular clause. Moreover, the harbour works had been the subject of a special reservation at the Algeciras Conference and could not be included among those which had to be submitted to adjudication. As regards the railway, the changing of the gauge had not altered its military character. No further action was taken by His Majesty's Government in this matter.

78585/39528/1915

112762/39528/1915

33. Later in the same year a notice was published in the Spanish Zone calling for tenders for the construction of a lighthouse at Cape Tres Forcas. Sir H. White reported that the adjudication to be held at Tetuan was entirely contrary to the Algeciras Act and adjudication regulations, and the published notice contained objectionable features in respect of short notice, and submission and examination of tenders. As a protest had already been made to Spain in the summer regarding the Larache harbour case which showed the intention of

File 130724/1915

His Majesty's Government to uphold the Algeciras Act, it was not thought worth while to make another protest in this small case. The Italian representative at Tangier reported the irregularities to his Government and also addressed a note to the Spanish High Commissioner. The reply of the latter, while professing respect for international agreements, and especially those referring to Morocco, pointed out that " the circumstances through which the whole world is passing are most anomalous and little favourable to the observance of the restrictions laid down in the [adjudication] regulations with the same strictness and rigour as in normal times." The High Commissioner also referred to the analogous cases that had occurred in the French Zone, due to the abnormal circumstances prevalent throughout Morocco, and also the urgent nature of the works in question, " to which must be subordinated all restrictions of procedure necessary for their execution and the special situation of the territories near our towns."

145399/130724/1915

34. In a note of the 23rd September, 1916, the French Government informed Lord Bertie of the result of the enquiry they had made in regard to the cases of irregularity which he had brought to their notice (see paragraph 27 above). It appeared that in the cases in question, which were financed from the funds of the " Caisse spéciale," the protectorate authorities had obtained the assent of the " Comité spécial " to limit the appeal for tenders to local firms and to proceed by way of " marché de gré à gré." " L'expérience de quatre années est là, en effet, pour établir que seuls, en fait, les petits entrepreneurs locaux concouraient à l'adjudication de travaux aussi peu importants. La participation d'entrepreneurs venant de l'extérieur est illusoire. C'est ainsi qu'il a été constaté, avant 1914, que des adjudications faites à Tanger, après deux mois de publication, échouaient faute de concurrents, alors qu'un appel d'offres lancé dans la localité même, pour les mêmes travaux, amenait de nombreuses soumissions. Instruit par cette expérience, le Comité spécial admet donc, maintenant, une procédure plus rapide, qui, en permettant de faire appel à toute la concurrence susceptible de s'exercer réellement, ne retarde pas, sans profit pour personne, l'exécution des projets." The French Government also pointed out that His Majesty's representative at Tangier was in a position to present any objections to the committee in such cases.

193997/83820/1916

French justification of " marchés de gré à gré."

35. His Majesty's Government did not pursue the matter, His Majesty's Minister at Tangier having expressed the view, about the same time, that further representations to the French Government were unnecessary; it was very unlikely that British firms would tender for the works then being undertaken, and the representations already made were sufficient to safeguard British rights in the future.

193320/83820/1916

36. A dahir, dated the 20th January, 1917, provided that the provisional and definitive caution money to be deposited by persons submitting tenders or obtaining credits for public works, &c., may be paid to the Treasurer-General of the Protectorate, whereas in the adjudication regulations of 1908 it was to the State Bank only that payment could be made. The dahir contained further provisions as to the form in which payment could be made, interest thereon, refund or confiscation, &c. His Majesty's Government took no action in the matter.

52242/1917

37. In 1917 the " Caisse spéciale," which was established in 1908 and the funds of which were derived from the special 2½ per cent. *ad valorem* tax on goods imported, was liquidated. It was felt that the Caisse no longer corresponded to the changed situation, Morocco having become divided into three zones and the " Comité spécial " which administered the fund, being subject to no rules as regards the distribution of the funds between the zones. An agreement was therefore drawn up by the French and Spanish Governments for the allocation of the Caisse funds and for the separation, as regards the future, of the accounts of the different zones in respect of receipts from the special tax. The " Comité special " was to retain its power of surveillance and control, for the purpose of which it was established. The Belgian, United States, British, Italian, Portuguese, Netherlands and Russian representatives at Tangier and the Mahkzen accepted the agreement.

f. 28968/1916
f. 7004/1917

Liquidation of Caisse spéciale (1917).

38. A dahir of 9th June, 1917, dealing with the public accounts of the Shereefian Empire contains in articles 23–25 regulations regarding public

French Zone regulations of June 9, 1917.

contracts issued in the French protectorate. These regulations do not appear to have been brought to the notice of His Majesty's Government at the time. Articles 23–25 are set out in Annex V. Article 23 lays down : " les marchés de travaux, fournitures ou transports au compte de l'État sont faits avec concurrence et publicité. Les procès-verbaux d'adjudication sont approuvés par le Résident général ou par le fonctionnaire délégué à cet effet." The article then goes on to enumerate the cases in which " marchés de gré à gré " may be substituted for public adjudication. The first of these exceptional cases covers " fournitures, transports et travaux dont la dépense totale n'excède pas 80,000 fr. . . . ." Another exception covers " fournitures, transports ou travaux qui, dans les cas d'urgence évidente amenée par des circonstances imprévues, ne peuvent pas subir les délais des adjudications "; this corresponds with article 24 (5) of the 1908 regulations (" Caisse spéciale "), the recourse to which before and after the war caused considerable controversy at times. On the whole, however, although the exceptions in the dahir of 1917 involve in some cases a departure from the 1908 regulations, it has been considered that they are not in themselves unreasonable.

W 7558/1266/28/1934

39. After the war His Majesty's Government renewed their efforts for a return to the normal adjudication procedure in respect of public works. In January 1920 His Majesty's Minister at Tangier was instructed to protest against the failure of the French authorities to have the Kenitra–Rabat Railway construction put up to public adjudication, and His Majesty's Ambassador at Paris was instructed to inform the French Government of this action. The French Government did not dispute that the work had been made the subject of a " marché de gré à gré," and justified this by the plea of urgency and the desirability of the contract being given to a firm thoroughly acquainted with local conditions in order to avoid the serious delay incurred by public tender. " En opérant de la sorte, on n'a cru déroger ni à la lettre, ni à l'esprit du règlement sur les adjudications édicté par application de l'Acte d'Algésiras, puisque ce règlement prévoit que des marchés de gré à gré peuvent être passés dans certaines circonstances déterminées, et notamment pour les travaux qui ne peuvent subir les délais d'une adjudication."

Tenders in French Zone British post-war protests (paragraphs 39–41).

167781/1919

A 649/649/28/1920

40. Again, in the case of the Kenitra–Petitjean Railway, His Majesty's Ambassador at Paris pointed out to the French Government on the 7th February, 1920, that in the notice inviting tenders the protectorate authorities adhered to the practice followed since the beginning of the war of ignoring the Commission des Adjudications. While it was true that His Majesty's Government had consented in 1915 to the suspension during the war of the adjudication rules laid down in the Algeciras Act and in the " Règlement " in order that public works necessary for the safety of the French Zone might be executed with the least possible delay, His Majesty's Government were of opinion, now that the war had been over for more than a year, that such considerations no longer applied and that a return should be made to the orthodox procedure. The French Government contended, however (note of the 26th March, 1920), that, although hostilities had ceased, the necessity still existed to adhere to the attitude hitherto adopted. " Pour gagner du temps et procéder plus rapidement à l'exécution des travaux dont toutes les colonies européennes sont appelées à profiter au même titre, le Protectorat procède à Rabat aux adjudications qui ne sont pas gagées sur les fonds de la Caisse spéciale." It was also stated : " la procédure actuellement en vigueur a fait ses preuves depuis cinq ans et n'a lésé aucun intérêt. Une trop stricte interprétation de l'Acte d'Algésiras obligerait le Protectorat à transporter à Tanger la plus grande partie de ses services de Travaux publics, et ce transport ne serait pas vu avec une égale faveur par toutes les Puissances signataires de l'Acte de 1906." His Majesty's Ambassador at Paris was instructed to reply that His Majesty's Government wished once more to emphasise the fact that until the Act of Algeciras was abrogated by all the Allied and neutral signatories the obligation to follow the procedure laid down in accordance with article 110 still subsisted.

A 1945/649/28/1920

A 1945/649/28/1920

A 1945/649/28/1920

41. The Italian Government were informed by His Majesty's Ambassador at Rome of the instructions sent to His Majesty's Ambassador at Paris in connexion with the Kenitra–Petitjean Railway in favour of a return to the original procedure for adjudication of public contracts. The Italian Government agreed that the retention of the existing procedure was contrary to the

167791/1919

A 1128/649/28/1920

Act of Algeciras and of the "Règlement"; they had not failed, during and since the war, to express their opposition and formulate reservations every time that there had been any question of departing from the terms of agreements in force, and they therefore considered it desirable to call the attention of the French Government on this occasion to the necessity for a stricter observance of the provisions of the Algeciras Act.

Tangier port concession.

42. In 1921 the scheme for the development of the port of Tangier was the occasion of very considerable controversy between the Powers concerned. Before the war lengthy negotiations had taken place concerning the formation of an international company for the purpose, and agreement was reached as to the allocation of shares between the Powers. The report of the international commission, which was appointed in the spring of 1914 to consider the project, recommended that a concession should be granted to the international company (International Company for the Development of the Port of Tangier), and suggested that the requirements of articles 106–108 of the Act of Algeciras, providing for open competition, should be considered to be fulfilled by the international character of the concessionnaire company. It was understood also that the concession should be submitted for approval by the Diplomatic Body. Owing to the war the matter remained in abeyance. After the war the French Government proceeded with the scheme, and in June 1921 a dahir was issued, without the Diplomatic Body or the Governments interested being consulted, granting the concession to the international company. The "cahier des charges" followed the recommendation of the international commission of 1914 in not providing for public adjudication. Also, the shares formerly allotted to Germany and Austria were given to the Moorish Government, thus ensuring, in effect, French preponderance. The French Government were prepared, however, to reconsider the distribution of shares. They were also willing to have the "cahier des charges" amended so as to bring the works under the adjudication procedure, although declining responsibility for any delays that might ensue therefrom to the serious detriment of the European colonies of Tangier. But the French Government insisted that the Sultan had a perfect right to grant the concession in question in virtue of the provisions of paragraph 3 of article 6 of the Franco-German Convention of the 4th November, 1911. As regards the latter point, the view of His Majesty's Government was that if the question of the concession had only just arisen there might have been some force in the appeal to the convention of 1911. If this unrestricted right to grant the concession existed now, it existed equally between November 1911 and 1914. That the French Government did not hold this view at that time was proved by their consenting to and taking part in the prolonged negotiations and discussions that led to the formation of the international company. Further, it was recalled that M. Poincaré himself, in February 1912 (see paragraph 18 above) had expressed the view that, as Tangier was to be internationalised, the French Government would not be free to grant a concession for the construction of a port there. In spite of the opposition of the Powers, a notice was published in June 1922 fixing a date for the adjudication. Strong representations were made to the French Government by the British, Spanish and United States Governments protesting against the grant of the concession and the publication of the notice inviting tenders. The United States Government, it may be noted, took the line that the grant of the concession was a violation of the Act of Algeciras with regard to public contracts and concessions, and that the Franco-German Convention of the 4th November, 1911, did not apply to the United States. Finally, the French Government agreed to postponement of the adjudication, and special provisions regarding the port concession of June 1921 were drawn up at the conference which resulted in the Tangier Statute of 1923 (see paragraph 49 below).

Position in Tangier Zone under the Statute of 1923 and Dahir of May 15, 1925 (paragraphs 44–50).

43. The Tangier Convention of 1923 contains provisions which have an important bearing on adjudications.

44. In the first place, it appears that the Franco-German Convention of 1911 no longer applies in the Tangier Zone, or, alternatively, it only applies in the Tangier Zone to the extent that it is not in conflict with the Act of Algeciras.

Article 7 of the Tangier Convention lays down the principle of respect for treaties and of economic equality, and provides that the zone shall respect all treaties in force. Article 8 makes applicable to the Tangier Zone "international agreements to which *all* the Powers signatories of the Act of Algeciras are parties" (compare article 11 of the Organic Dahir annexed to the Tangier Convention). Consequently, this agreement of 1911 is not covered by article 8, and is not made applicable in Tangier by article 8 of the Tangier Convention, because all the parties to the Act of Algeciras have not accepted it. On the other hand, it may be contended that article 8 (and article 11 of the Organic Dahir) only apply to future treaties, and that this agreement is covered by article 7. Even so, however, this agreement cannot override the rights of parties to the Act of Algeciras which have not acceded to it. A protest against the grant without adjudication was made in the case of a concession for the supply of electric light in the Tangier Zone. Its validity was admitted by the Committee of Control, who laid down the principle that "Les concessions à Tanger doivent être accordées suivant le système de l'adjudication publique" (letter to Administrator, approved the 24th March, 1931).

45. The provisions (contained in articles 49 to 58) of the "Dahir portant Règlement sur la Comptabilité publique" of the 15th May, 1925, which was issued under the provisions of article 32 of the convention, are intended to replace in the zone the provisions of the regulations made under article 110 of the Act of Algeciras. A copy of these articles is attached (Annex VI). Under them all contracts for the supply of materials, transport and works must be put up to tender with certain exceptions, whilst in the case of public works executed by the Administration itself, the supply of material necessary for their execution must equally be put up to tender (article 49).

46. The exceptions (article 50) permit "marchés de gré à gré" in the case of—

(1) Supplies, transport and works the value of which does not exceed 30,000 fr., or, in the case of a contract extending over several years, where the annual cost does not exceed 7,500 fr.
(2) Supplies, works and transport carried out by the Administration.
(3) The purchase of patent articles or proprietory articles.
(4) Works and articles of an artistic or technical nature, the manufacture of which can only be entrusted to artists and manufacturers of proved capacity.
(5) Exploitations, manufactures and supplies of an experimental nature.
(6) Articles of a special nature which must be purchased and selected at the place of manufacture.
(7) Where no acceptable offer has been forthcoming in response to a call for tenders.
(8) In case of unforeseen urgency.
(9) For supplies, transport and works carried out by the Administration in the place of a defaulting contractor and at his risk and peril.
(10) For orders to be placed with a firm which already holds a contract where there is advantage to the zone in not employing a new contractor.

All such exceptions must be officially certified and supported by explanations.

47. It is further laid down that public adjudications in respect to works, exploitations or manufactures which cannot without disadvantage be put up to unrestricted tender, may be made subject to restrictions which only admit to tender persons of recognised capacity and able to produce the certificates specified in the "cahier des charges." This form of adjudication must be equally public, but it permits of a preliminary elimination of candidates (article 54).

Similarly a system of "concours" may be adopted, according to which the Administration, instead of submitting a complete scheme, confines itself to laying down the general lines of its programme, leaving it to competitors to submit detailed proposals with estimates of cost (article 54).

Adjudications are to be approved by a commission under the chairmanship of the Director of Finances, of which the Receiver is a member (article 56.)

48 Nothing is said in this dahir about economic equality, but such equality is guaranteed by article 7 of the statute, which lays down that—

> "Economic equality among nations resulting from such treaties [*i.e.*, all treaties in force] shall continue to be observed in the Tangier Zone even if such treaties are subsequently abrogated or modified."

Compare also article 30 (5) of the statute, and article 11 (3) of Organic Dahir :—

> "En cas de désaccord entre les stipulations desdits traités et les lois et règlements établis par l'Assemblée législative internationale, les stipulations des traités prévaudront."

The provisions of the Act of Algeciras could accordingly be invoked should the principle laid down in it in regard to economic equality be infringed by the Tangier Administration, and in particular if the conditions of tender were such as to place the nationals of any one Power at a disadvantage as compared with the nationals of another Power. Further, in so far as the exceptions in the dahir of 1925 (see paragraph 45 above) could be said to be in conflict with the principles of the Act of Algeciras, presumably it could be contended that the Act of Algeciras prevails (article 11 (3) of the Organic Dahir).

Tangier port works.

49. Under article 40 of the Tangier Convention, the Shereefian Government ceded to the Tangier Zone the rights under the port concession of June 1921 (see paragraph 42 above). Article 41 creates, and defines, the duties of a port commission, who shall ensure, under the authority of the committee of control, the observance of the régime of economic equality in the working of the port. The article also lays down that—

> Contracts for supplies of imported materials as well as plant (with the exception of any supplies or purchases of material subject to a contract awarded after public tender) shall be put up to competition under the control of the Port Commission.
>
> In the case of supplies of a cost exceeding 20,000 fr., but not exceeding 100,000 fr., the commission shall—
>
> (1) Prescribe the manner in which the contract is to be concluded, and also the conditions under which either the call for tenders with a view to purchases by agreement, or the contract awarded after public tender shall be effected;
> (2) Approve contracts and decisions regarding tenders.
>
> In the case of supplies of a cost exceeding 100,000 fr., the procedure shall be by public tender. (The purchases by agreement refer, of course, to "marchés de gré à gré.")

Rules for adjudications made in accordance with the above provisions were drawn up by the Port Commission in 1932.

50. Article 50 of the Tangier Convention provides that "the existing commissions and committees at Tangier shall be abolished." The effect of this is that, on the entry into force of the Tangier Convention in 1924, the international bodies previously in existence for the purpose of dealing with adjudications were abolished, a step in which His Majesty's Government, being parties to the convention, have acquiesced.

51. Consequently, adjudications in the French and Spanish Zones are now in the hands, not of an international body, but of the French and Spanish authorities, and, in the Tangier Zone, in the hands of the commission set up under article 59 of the dahir of the 15th May, 1925.

W 3134/1063/28/1930
Increasing use of "concours" in French Zone.

52. Since 1929 increasing use has been made by the French protectorate authorities of the system of "concours." Sir A. Ryan alluded to this tendency in a despatch of the 19th March, 1930, remarking that, if this system were honestly applied, little exception could be taken to it, but that it was obvious that it could be so manipulated as to confine the ultimate selection to a limited number of firms, who may easily be French firms only. Sir A. Ryan also expressed the view that the relevant sections of the Act of Algeciras have been wrecked largely by circumstances, and partly by acquiescence in the proceedings of the protectorate authorities during and after the war.

Efforts to safeguard British rights in French Zone (paragraphs 53–55).

53. After reviewing the position and obtaining the observations of His Majesty's consul-general at Rabat on the extent to which it is possible for His Majesty's Government to insist upon adjudication procedure in the French Zone, the Foreign Office instructed Mr. Edmonds in March 1931 that it was important to safeguard the rights of His Majesty's Government, and that, accordingly, in the event of any contracts being offered for the construction of public works or for the furnishing of supplies to official departments, and of any British firm appearing likely to submit tenders, the protectorate authorities should be reminded of the right possessed by His Majesty's Government to insist on the submission of such contracts to open adjudication. W 3102/1995/28/1931

54. In November 1931, in connexion with the adjudication of tenders for army contracts, Mr. Edmonds was informed that it was important to take all possible action to preserve the theoretical treaty rights of British subjects, and he was instructed that, in the event of the protectorate authorities issuing regulations excluding foreign firms from competing for such tenders, he should point out to them that, in the view of His Majesty's Government, such action would be contrary to the provisions of the Act of Algeciras. Mr. Edmonds discussed the matter with the acting head of the Cabinet diplomatique, who assured him positively that no change had been made in the regulations. W 13405/10862/28/1931 W 116/116/28/1932

55. Mr. Edmonds also made verbal representations to the French Residency-General in regard to the award of a contract for the supply of water-pipes to a French firm in preference to a British firm who had submitted a lower tender. It appeared subsequently, however, that the contract was awarded under the system of "concours," which took into consideration not only price but other aspects, and it was considered that there was no ground for official protest. W 14182/5024/28/1932 W 3579/421/28/1933

Short notice for tenders in Spanish Zone.

56. At the end of 1934 a call for tenders for fire-fighting apparatus for Tetuan Municipality was published in the Spanish Zone, but the time allowed was so short as to render it impossible for British firms to compete. His Majesty's Embassy at Madrid were asked to seize an opportunity of protesting against the short notice, and, if possible, to persuade the authorities to postpone the placing of the contracts. His Majesty's representative at Madrid accordingly left a memorandum with the Spanish Foreign Office. W 10883/1266/28/1934 W 894/894/28/1935

Conclusions.

57. It is clear from a report from His Majesty's consul-general at Rabat in May 1934 that irregularities have been taking place in the French Zone as regards adjudications, and the general attitude to be adopted by His Majesty's Government has been under consideration. The possibility of inducing the French Government to comply with a demand for the reversion to the strict system of adjudication, save in the exceptional cases clearly allowed by the regulations, is considered to be remote, and even if it met with success, it is doubtful if any practical benefit would result to British interests. Moreover, an action before an international court does not appear to afford much prospect of success. Unsatisfactory though the present position is, therefore, the Foreign Office are inclined to the view that it must be accepted as an inevitable consequence of the establishment of the French protectorate, and that while His Majesty's Government should continue to insist as far as possible on the observance by the French authorities of the principle of the open tender for public contracts, there is little more that can be done to ensure that such contracts are actually awarded impartially beyond protesting from time to time against any particular cases of partiality affecting British firms. W 4898/1266/28/1934 W 7558/1266/28/1934

A. F. ORCHARD.

Foreign Office, February 2, 1935.

Annex I.

Act of Algeciras, April 7, 1906.

(Articles 61, 66, 74, 105–111.)

Article 61.

With the object of creating new sources of revenue for the Makhzen, the conference recognises, in principle, that a tax may be imposed on town buildings.

A portion of the revenue thus raised shall be set aside to meet the requirements of municipal roads and hygiene, and, in a general manner, to cover the cost of improvements and of conservancy in towns.

The tax shall be leviable on Moorish or foreign proprietors without any distinction; but the tenant or custodian of the key shall be responsible therefor to the Moorish Treasury.

Regulations made by common agreement between the Shereefian Government and the Diplomatic Body at Tangier shall fix the rate of the tax, lay down the manner of collecting and applying it, and determine what proportion of the resources thus created shall be devoted to meeting the cost of improvements and of conservancy in the towns.

At Tangier such proportion shall be paid to the International Sanitary Council, which shall determine the manner of its application until a municipal organisation shall have been created.

Article 66.

As a temporary measure, goods of foreign origin shall, on their entry into Morocco, pay a special tax of 2½ per cent. *ad valorem*. The total revenue derived from this tax shall form a special fund, which shall be devoted to meeting the expenditure on, and execution of, public works undertaken for the development of navigation and trade generally in the Shereefian Empire.

The programme of the works and the order of their execution shall be settled by agreement between the Shereefian Government and the Diplomatic Body at Tangier.

All surveys, estimates, plans, and specifications relating thereto shall be prepared by a competent engineer appointed with the concurrence of the Diplomatic Body by the Shereefian Government. Such engineer may, if necessary, be assisted by one or more assistant engineers. Their salaries shall be charged to the special fund.

The moneys belonging to the special fund shall be deposited in the Morocco State Bank, which shall keep the accounts thereof.

Public contracts shall be awarded in the form and according to the conditions laid down in regulations which it shall be the duty of the Diplomatic Body at Tangier to draw up conjointly with the representative of His Shereefian Majesty.

The board of awards shall consist of a representative of the Shereefian Government, five delegates of the Diplomatic Body at Tangier, and the engineer.

The contract shall be awarded to the person or persons who, while complying with the terms of the specifications, shall have submitted the most generally advantageous offer.

As regards the sums yielded by the special tax which would be collected at the custom-houses established in the districts indicated in article 103 of the Customs Regulations, their employment shall, in agreement with the conterminous State, be determined by the Makhzen in accordance with the provisions of the present article.

Article 74.

The principle of awarding contracts without regard to nationality shall be applied to the farming of the opium and kiff monopoly. The same course shall be adopted in respect to the tobacco monopoly if such be introduced.

Article 105.

With a view to insure the application of the principle of economic liberty without inequality, the signatory Powers declare that in no case shall the rights of the State over the public services of the Shereefian Empire be alienated for the benefit of private interests.

Article 106.

Should the Shereefian Government consider it necessary to have recourse to foreign capital or to foreign industries for the working of public services or for the execution of public works, roads, railways, ports, telegraphs, or other, the signatory Powers reserve to themselves the right to see that the control of the State over such large undertakings of public interest remain intact.

Article 107.

The validity of such concessions as may be granted for the purposes specified in article 106, or for furnishing supplies to the State, shall, throughout the Shereefian Empire, be subject to the principle of public awards on tenders, without respect of nationality, as regards all matters which, by the rules observed under the laws of foreign countries, admit of the application of that principle.

Article 108.

So soon as it shall have been decided to proceed to the execution of particular public works by calling for tenders, the Shereefian Government shall notify such decision to the Diplomatic Body, to which it shall, in due course, communicate the plans, specifications, and all documents annexed to the call for tenders, so that the nationals of all the signatory Powers may obtain information respecting the projected works, and be in a position to compete for them. A sufficient time limit shall be fixed for this purpose in the call for tenders.

Article 109.

The specifications shall not contain, either explicitly or implicitly, any condition or provision of a nature to violate the principle of free competition, or to place the competitors of one nationality at a disadvantage as against the competitors of another.

Article 110.

The contracts shall be made in the form and according to the general conditions prescribed by regulations to be drawn up by the Shereefian Government, with the assistance of the Diplomatic Body.

The contract shall be awarded by the Shereefian Government to the person or persons who, while complying with the terms of the specifications, shall have submitted the most generally advantageous offer.

Article 111.

The rules laid down in articles 106 to 110 shall be applied to concessions for the working of cork-tree forests, in accordance with the laws governing this matter in the respective foreign countries.

Annex II.

Règlement sur les Adjudications en général.

(Extrait.)

Article 1er.—Sont déclarés d'utilité publique les travaux publics effectués dans les cas prévus aux articles 61, 74, 105 à 109 inclus de l'Acte général d'Algésiras sur la demande qui en sera faite au Maghzen avec projets à l'appui par la commission instituée à l'article 4 ci-après.

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Article 3.—Toutes les adjudications et tous les marchés de travaux, fournitures et transports mentionnés dans les cas prévus à l'article 1er sont soumis aux règles édictées par le Règlement sur les Adjudications de la Caisse spéciale et modifiées conformément aux articles ci-après :

Toutefois les fournitures des produits indigènes originaires du Maroc pourront faire l'objet de marchés directement passés sans adjudication par les administrations chérifiennes.

Le fermage d'opium, du kif et du tabac à priser continuera à être concédé par adjudication suivant les usages actuellement en vigueur.

Article 4.—Le Comité spécial institué à l'article 1er du Règlement sur les Adjudications de la Caisse spéciale est remplacé par une Commission chérifienne dite Commission générale des Adjudications et des Marchés, ainsi composée :

Deux délégués chérifiens, deux délégués du Corps diplomatique, un délégué de l'Administration intéressée.

A la demande d'un de ses membres, cette Commission devra s'adjoindre un expert technique qu'elle choisira et qui aura voix consultative.

En outre, un délégué de la Banque d'État est adjoint à la Commission à titre consultatif et fournit dans chaque cas son avis motivé.

S'il s'agit d'adjudications ou de marchés concernant la police, le délégué de l'Administration intéressée sera l'Inspecteur général de la Police ou à son défaut l'officier qui le remplacera.

La Commission générale remplit, en outre, l'office de bureau d'adjudication; elle nommera son interprète.

Dans le cas où les délégués du Corps diplomatique estimeraient que l'adoption d'une proposition constituerait une violation des dispositions de l'Acte général d'Algésiras, ils formuleront leur objection dans une déclaration faite par écrit. Le président de la Commission, avant de passer au vote, soumettra la question ainsi posée au Corps diplomatique, qui, dans un délai ne dépassant pas quinze jours, fera connaître son avis sur le bien-fondé de l'objection.

Article 5.—Quand il y aura lieu de procéder à une adjudication ou à un marché concernant les matières indiquées à l'article 1er, le Maghzen en saisira la Commission générale, qui fera établir par l'Administration intéressée les projets, devis et cahiers des charges et les soumettra à l'approbation du Maghzen.

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Article 6.—Nul n'est admis à concourir à des adjudications de fournitures, de fabrication ou d'exploitation concernant un service public par régie coïntéressée ou fermage s'il n'a fourni à la Commission générale les certificats de capacité et de solvabilité exigés par les cahiers des charges.

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Article 9.—Les adjudications ne seront notifiées à l'intéressée et ne deviendront définitives qu'après approbation par Sa Majesté chérifienne. Cette approbation devra être signifiée à l'Administration par le Maghzen dans un délai de quarante jours à dater de la séance publique d'adjudication. Si une décision n'intervient pas dans ce délai, l'approbation sera considérée comme acquise, sauf en cas de force majeure.

Dispositions générales.

Sur la demande du Maghzen ou de la majorité du Corps diplomatique, le présent règlement pourra être revisé à l'expiration d'un délai de cinq ans. Cette revision sera faite d'un commun accord.

Annex III.

Règlement relatif aux Adjudications effectuées sur les Fonds de la Caisse spéciale.

(Extrait.)

Article 1er.—Le programme des travaux à exécuter sur les fonds de la Caisse spéciale et leur ordre de priorité sont établis par un Comité chérifien, dit Comité spécial des Travaux publics, qui les soumettra en premier lieu à l'examen du Corps diplomatique et ensuite à celui du Maghzen. Dès que l'accord sera obtenu, ce Comité procédera, après avis motivé de l'ingénieur prévu à l'article 66 de l'Acte général d'Algésiras, aux formalités prescrites dans le présent règlement pour la passation des marchés de travaux publics effectués sur les fonds de la Caisse spéciale.

Le Comité spécial est composé de trois délégués chérifiens, cinq délégués du Corps diplomatique et d'un délégué du Conseil sanitaire. Ce dernier délégué sera remplacé, au jour où des organisations municipales seront instituées, par un délégué de la municipalité intéressée.

Le Comité spécial, qui sera renouvelable chaque année, élira son président et nommera son interprète. L'ingénieur prévu à l'article 66 de l'Acte général d'Algésiras sera adjoint au Comité à titre consultatif. Un secrétaire pourra également être adjoint au Comité.

Article 2.—Les marchés de travaux, fournitures ou transports effectués sur les fonds de la Caisse spéciale sont faits avec concurrence et publicité, sauf les exceptions mentionnées aux articles 24 et 25.

Les dispositions du présent règlement ne sont pas applicables aux travaux que l'Administration est dans la nécessité d'exécuter en régie, soit à la journée, soit à la tâche.

Les fournitures de matériaux nécessaires à l'exécution en régie y sont néanmoins soumises, sauf le cas de force majeure et les cas prévus à l'article 27.

Article 3.—L'avis des adjudications à passer est publié, sauf les cas d'urgence, au moins cent jours à l'avance, par des affiches et par des insertions dans le journal officiel de l'empire ou, à son défaut, dans trois journaux paraissant au Maroc désignés par le Maghzen, d'accord avec le Corps diplomatique. Cinq exemplaires de l'avis seront adressés au Maghzen ainsi qu'à chacune des Légations à Tanger. . . . .

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Article 23.—Il peut être passé des marchés de gré à gré de deux catégories : des marchés de gré à gré ordinaires et des marchés de gré à gré après concours.

Article 24.—Les marchés de gré à gré ordinaires sont autorisés :

1. Pour les fournitures, transports et travaux dont la dépense totale n'excède pas 3,000 douros makhzani or ou s'il s'agit d'un marché portant sur plusieurs années, sans qu'il puisse être conclu pour une période supérieure à cinq années, dont la dépense annuelle n'excède pas 1,000 douros;
2. Pour les objets qui n'auraient qu'un possesseur unique;
3. Pour les travaux, exploitations, fabrications et fournitures qui ne sont faits qu'à titre d'essai ou d'étude et dans les limites de prix indiquées au § 1 du présent article;
4. Pour les fournitures, transports ou travaux qui n'ont été l'objet d'aucune offre aux adjudications ou à l'égard desquels il n'a été proposé que des prix inacceptables : toutefois, lorsque le bureau d'adjudication a cru devoir arrêter et faire connaître un maximum de prix, l'Administration ne doit pas dépasser ce maximum;
5. Pour les fournitures, transports ou travaux qui, dans le cas d'urgence évidente amenée par des circonstances imprévues, ne peuvent pas subir les délais des adjudications;
6. Pour les fournitures, transports ou travaux que l'Administration doit faire exécuter aux lieu et place des adjudicataires défaillants et à leurs risques et périls;
7. Pour les transports de la Caisse spéciale.

Article 25.—Peut être également autorisée par le Comité spécial, sur la proposition de l'ingénieur, la passation d'un marché de gré à gré pour l'exécution de fournitures, transports et travaux par l'entrepreneur déjà adjudicataire d'un lot, s'il y a intérêt, au point de vue du délai d'exécution ou de la bonne marche des travaux, à ne pas introduire un nouvel entrepreneur, dans les conditions suivantes :

1. Lorsque le marché en question, imprévu au moment de l'adjudication, est considéré comme l'accessoire du lot adjugé et qu'il ne dépasse pas le cinquième de ce lot;

2. Lorsqu'il doit être exécuté dans les chantiers ou carrières, au moyen des voies ferrées ou avec un matériel déjà occupés ou utilisés par l'entrepreneur du lot d'adjudication.

Article 26.—Les marchés de gré à gré ordinaires sont passés par le Comité spécial, sur la proposition et présentation de l'ingénieur :

1. Sur un engagement souscrit à la suite du cahier des charges;
2. Sur une offre souscrite par celui qui se propose de traiter;
3. Par correspondance, suivant les usages du commerce.

Tout marché de gré à gré doit rappeler celles des conditions des articles 24 et 25 dont il est fait application.

Les dispositions des articles relatifs aux cautionnements peuvent être déclarées applicables, s'il y a lieu, aux garanties stipulées dans les marchés de gré à gré.

Article 27.—Il peut être suppléé aux marchés écrits par des achats sur simple facture pour les objets qui doivent être livrés immédiatement, quand la valeur de chacun de ces achats n'excède pas 200 douros makhzani or.

La dispense du marché s'étend aux travaux ou transports dont la valeur présumée n'excède pas 200 douros et qui peuvent être exécutés sur simple mémoire.

Article 28.—Les marchés de gré à gré après concours sont passés pour l'exécution de certaines fournitures ou ouvrages spéciaux, pour certains objets d'art et de précision dont l'exécution ne peut être confiée qu'à des spécialistes éprouvés.

Le Comité spécial décide dans chaque cas s'il y a lieu de procéder à un marché de cette nature.

Le marché est passé après un concours ouvert sur simple programme.

Ce concours laisse aux concurrents le soin d'étudier et de présenter des propositions techniques, et porte à la fois sur le mérite de ces propositions et sur les propositions et sur les prix consentis par les concurrents.

Article 29.—Le concours est annoncé par un avis invitant les personnes désirant y prendre part à en adresser la demande au Comité spécial, dans un délai déterminé, et les prévenant que si leur demande est accueillie, elles seront avisées ultérieurement de la date et des conditions du concours.

Cet avis est adressé directement par le Comité spécial à toutes les personnes jugées aptes à concourir. Il sera, en outre, inséré dans les journaux indiqués à l'article 3.

Article 30.—Le programme du concours sera rédigé par l'ingénieur, et la liste des concurrents à y admettre est arrêtée par le Comité spécial. Le programme doit toujours renfermer les deux clauses suivantes :

La première clause fixera les conditions dans lesquelles se feront l'envoi du programme aux concurrents et le dépôt des projets et des soumissions : elle sera ainsi libellée :

"Le devis-programme et les pièces annexées seront adressés par le Comité spécial avec une lettre d'envoi dûment enregistrée, le même jour, à tous les concurrents.

"Le délai accordé aux concurrents pour la présentation de leurs soumissions est fixé à mois et jours, à partir de la date de la lettre d'envoi du Comité spécial.

"Les soumissions, avec les pièces annexées, seront adressées franco et par envoi recommandé au Comité spécial et elles devront lui parvenir avant l'expiration du délai fixé aux paragraphes précédents, terme de rigueur.

"Les soumissions qui parviendraient postérieurement à l'expiration de ce délai ne seront pas admises."

La seconde clause fixera le délai pendant lequel les soumissionnaires s'engageront à exécuter le marché conformément aux stipulations dudit programme et aux prix fixés dans leur soumission, quelles que soient les circonstances intervenues.

L'expiration de ce délai sans décision acceptant la soumission ou ordonnant le travail, aura pour effet de dégager le soumissionnaire et le Comité spécial de toute obligation.

Article 31.—La décision à prendre sur les résultats de concours est arrêtée sur la proposition de l'ingénieur, par le Comité spécial constitué en bureau, comme il est dit à l'article 12.

Le bureau ayant à tenir compte, non seulement des conditions de prix consenties par les concurrents, mais encore des avantages des divers projets, n'est pas astreint à adopter le projet plus économique et il conserve une entire liberté dans son choix. . . . .

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Annex IV.

Convention between France and Germany respecting Morocco.—Signed at Berlin, November 4, 1911.

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6. Le Gouvernement de la République française s'engage à veiller à ce que les travaux et fournitures nécessités par les concessions éventuelles de routes, chemins de fer, ports, télégraphes, &c., soient octroyés par le Gouvernement marocain suivant les règles de l'adjudication.

Il s'engage également à veiller à ce que les conditions des adjudications, particulièrement en ce qui concerne les fournitures de matériel et les délais impartis pour soumissionner, ne placent les ressortissants d'aucune Puissance dans une situation d'infériorité.

L'exploitation des grandes entreprises mentionnées ci-dessus sera réservée à l'État marocain ou librement concédée par lui à des tiers qui pourront être chargés de fournir les fonds nécessaires à cet effet. Le Gouvernement français veillera à ce que, dans l'exploitation des chemins de fer et autres moyens de transport comme dans l'application des règlements destinés à assurer celle-ci, aucune différence de traitement ne soit faite entre les ressortissants des diverses Puissances qui useraient de ces moyens de transport.

Le Gouvernement de la République usera de son influence sur la Banque d'État afin que celle-ci confère à tour de rôle aux membres de sa direction à Tanger le poste dont elle dispose de délégué à la Commission générale des Adjudications et Marchés.

De même, le Gouvernement français s'emploiera auprès du Gouvernement marocain pour que, durant la période où restera en vigueur l'article 66 de l'Acte d'Algésiras, il confie à un ressortissant d'une des Puissances représentées au Maroc un des trois postes de délégué chérifien au Comité spécial des Travaux publics.

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Annex V.

(Extrait.)

Dahir (French Zone) of June 9, 1917 (*including amendments to June* 1, 1928).

Article 23.—Les marchés de travaux, fournitures ou transports au compte de l'État sont faits avec concurrence et publicité.

Les procès-verbaux d'adjudication sont approuvés par le Résident général ou par le fonctionnaire délégué à cet effet.

Toutefois, il peut être passé des marchés de gré à gré :

1. Pour les fournitures, transports et travaux dont la dépense totale n'excède pas 80,000 fr. ou, s'il s'agit d'un marché passé pour plusieurs années, dont la dépense annuelle n'excède pas 20,000 fr.;
2. Pour toute espèce de fournitures, transports et travaux faits par des administrations publiques;
3. Pour toute espèce de fournitures, de transports et de travaux lorsque les circonstances exigent que les opérations du Gouvernement soient tenues secrètes : ces marchés doivent avoir été, au préalable, autorisés par le Résident général sur rapport spécial du chef de service intéressé;
4. Pour les objets dont la fabrication est exclusivement réservée à des porteurs de brevets d'invention;
5. Pour les objets qui n'auraient qu'un possesseur unique;

6. Pour les ouvrages et objets d'art ou de précision dont l'exécution ne peut être confiée qu'à des artistes ou industriels éprouvés;

7. Pour les travaux, exploitations et fournitures qui ne sont faites qu'à titre d'essai ou d'étude;

8. Pour les travaux que des nécessités de sécurité publique empêchent de faire exécuter par voie d'adjudication;

9. Pour les objets, matières et denrées qui, à raison de leur nature particulière ou de la spécialité de l'emploi auquel ils sont destinés, doivent être achetés et choisis au lieu de production;

10. Pour les fournitures, transports ou travaux qui n'ont été l'objet d'aucune offre aux adjudications ou à l'égard desquels il n'a été proposé que des prix inacceptables; toutefois, lorsque l'Administration a cru devoir arrêter et faire connaître un maximum de prix, elle ne doit pas dépasser ce maximum;

11. Pour les fournitures, transports ou travaux dans les cas d'urgence évidente amenée par des circonstances imprévues, ne peuvent pas subir les délais des adjudications;

12. Pour les fournitures, transports et travaux que l'Administration doit faire exécuter à la place des adjudicataires défaillants et à leurs risques et périls;

13. Pour les fournitures, transports et travaux à confier à un entrepreneur déjà adjudicataire d'un lot, s'il y a intérêt, au point de vue du délai d'exécution ou de la bonne marche des travaux, à ne pas introduire un nouvel entrepreneur;

(*a*) Lorsque le marché en question, imprévu au moment de l'adjudication, est considéré comme l'accessoire du lot adjugé et qu'il ne dépasse pas le cinquième de ce lot;

(*b*) Lorsqu'il doit être exécuté dans les chantiers, au moyen de voies ferrées ou avec un matériel déjà occupé ou utilisé par l'entrepreneur du lot d'adjudication;

14. Pour les affrètements et pour les assurances sur les chargements qui s'ensuivent;

15. Pour les transports confiés aux administrations de chemins de fer;

16. Pour les transports de fonds de Trésor.

Les marchés de gré à gré sont conclus :

(1) Soit sur un engagement souscrit à la suite du cahier des charges;
(2) Soit sur une soumission par celui qui propose de traiter;
(3) Soit sur une correspondance suivant les usages du commerce.

Ils doivent être approuvés par le Résident général ou le fonctionnaire délégué par lui à cet effet.

Article 24.—Il peut être suppléé aux marchés écrits par des achats sur simple facture pour les objets qui doivent être livrés immédiatement quand la valuer de chacun de ces achats n'excède pas 6,000 francs.

De même, les travaux et transports dont la valeur présumée n'excède pas 6,000 fr., peuvent être exécutés sur simples mémoires.

Les dispositions ci-dessus ne sont pas applicables aux travaux que l'Administration est dans la nécessité d'exécuter en régie, soit à la journée, soit à la tâche. Mais elles s'appliquent à la fourniture de matériaux nécessaires à l'exécution en régie.

Annex VI.

Dahir du 15 *Mai* 1925 (21 *Choual* 1343) *portant Règlement sur la Comptabilité publique de la Zone de Tanger.*

Article 49.

(*Recours obligatoire à la Concurrence.*)

Toutes les entreprises de fournitures, transports ou travaux doivent être faites avec concurrence et publicité, sauf les exceptions ci-après. En cas de travaux exécutés en régie par l'administration, cette règle s'applique à la fourniture des matériaux nécessaires à leur exécution.

Article 50.

(*Marché de gré à gré.*)

Il peut être passé des marchés de gré à gré :

1. Pour les fournitures, transports, ou travaux dont la dépense totale n'excède pas 30,000 fr. ou s'il s'agit d'un marché passé pour plusieurs années, dont la dépense annuelle n'excède pas 7,500 fr.;

2. Pour toute espèce de fournitures, transports ou travaux faits par des administrations publiques;

3. Pour l'achat des objets dont la fabrication est réservée à des porteurs de brevets d'invention, ou qui n'ont qu'un possesseur unique;

4. Pour les ouvrages et les achats d'objets d'art ou de précision dont l'exécution ne peut être confiée qu'à des artistes ou industriels éprouvés;

5. Pour les exploitations, fabrications et fournitures qui ne seraient faites qu'à titre d'essai;

6. Pour les objets, matières et denrées qui, à raison de leur nature, ou de la spécialité de l'emploi auquel ils sont destinés, doivent être achetés et choisis au lieu de production ou de fabrication;

7. Pour les fournitures, transports et travaux qui n'ont fait l'objet d'aucune offre aux adjudications, ou à l'égard desquels il n'a été proposé que des prix inacceptables, sans toutefois que l'administration puisse dépasser le maximum des prix qu'elle aurait fait connaître lors de l'adjudication;

8. Sur autorisation spéciale de l'administrateur, pour les fournitures, transports ou travaux qui, dans les cas d'urgence, amenés par des circonstances imprévues, ne peuvent subir les délais d'adjudication sans qu'il en résulte un préjudice certain pour la zone;

9. Pour les fournitures, transports et travaux que l'administration doit faire exécuter à la place des adjudicataires défaillants et à leurs risques et périls;

10. Pour les fournitures, transports et travaux à confier à un entrepreneur déjà adjudicataire d'un lot, s'il y a intérêt, au point de vue de la rapidité de l'exécution ou de la bonne marche des travaux, à ne pas introduire un nouvel entrepreneur sur les chanteirs, et à condition :

(*a*) Que le marché en question, imprévu au moment de l'adjudication, soit l'accessoire du lot adjugé, et ne dépasse pas le cinquième de ce lot;

(*b*) Que le marché doive être exécuté dans les chantiers au moyen d'un matériel déjà utilisé par l'entrepreneur du lot d'adjudication.

Toutes ces dérogations au principe de l'adjudication doivent donner lieu à l'établissement de certificats visés par l'ordonnateur visant celui des chefs d'exception qui justifie la passation du marché de gré à gré. Ces certificats sont joints au premier mandat de paiement.

Article 51.

(*Forme des Marchés de gré à gré.*)

Les marchés de gré à gré sont conclus :

1. Soit sur un engagement souscrit à la suite d'un cahier des charges;
2. Soit sur une soumission souscrite par celui qui a proposé de traiter;
3. Soit sur une correspondance, suivant les usages du commerce.

Il n'est pas exigé de marché écrit pour les achats, transports et travaux dont le montant total ne dépasse pas 5,000 fr. Ces achats, transports ou travaux peuvent être faits sur simple facture ou sur simple mémoire.

Article 52.

(*Interdiction des Marchés fractionnés.*)

Tout fractionnement de dépense par lequel un chef de service tenterait d'éluder l'obligation de l'adjudication ou du marché écrit est interdit.

ARTICLE 53.

(*Compétence pour la Passation des Marchés.*)

Les chefs de service, tels qu'ils sont désignés à l'article 48 ci-dessus, peuvent conclure, à titre définitif, les marchés spécifiés à l'article 50, paragraphes 1 à 10 inclusivement, dont le montant total n'excéderait pas 15,000 fr. ou le montant annuel de 3,500 fr. Au delà de ces sommes, que les marchés soient passés de gré à gré ou sur adjudication, ils ne sont définitifs qu'après approbation de l'administrateur.

ARTICLE 54.

(*Adjudications.*)

Les adjudications publiques relatives à des travaux, à des exploitations ou à des fabrications qui ne pourraient sans inconvénient être livrées à la concurrence illimitée, peuvent être soumises à des restrictions qui n'admettent à concourir que des personnes reconnues capables et produisant les titres justificatifs exigés par les cahiers des charges.

Cette forme d'adjudication comporte la même publicité que l'adjudication ouverte, mais permet une élimination préalable parmi les candidats.

Il peut être procédé aussi par voie de concours. Dans ce cas, l'administration, au lieu de présenter un projet complet dont l'entrepreneur n'a qu'à assurer l'exécution, se borne à tracer un programme en laissant aux concurrents le soin d'étudier et de présenter les solutions techniques qu'ils jugeraient utiles, ainsi que les conditions de prix moyennant lesquelles ils s'engagent à les réaliser.

ARTICLE 55.

(*Cahier des Charges.*)

Les cahiers des charges déterminent la nature et l'importance des garanties que les fournisseurs ou entrepreneurs ont à produire, soit pour être admis aux adjudications, soit pour répondre de l'exécution de leurs engagements. Ils règlent aussi l'action que l'administration pourra exercer sur ces garanties en cas d'inexécution des engagements. Il doit y être stipulé que tous les ouvrages exécutés par les entrepreneurs en dehors des autorisations régulières demeurent à la charge personnelle de ces derniers, sans répétition contre la zone.

L'avis des adjudications à passer est publié, sauf le cas d'urgence amené par des circonstances imprévues, un mois à l'avance par la voie des affiches et par tous les moyens ordinaires de publicité. Cet avis fait connaître le lieu où on peut prendre connaissance du cahier des charges, les autorités chargées de procéder à l'adjudication, le lieu, le jour et l'heure de l'adjudication.

ARTICLE 56.

(*Procédure des Adjudications.*)

Les adjudications doivent être passées par une commission présidée par le directeur des finances et dont fait partie le receveur.

Un maximum de prix ou un mimimum de rabais fixé par le chef de service qui procède à l'adjudication est déposé sous pli cacheté sur le bureau, à l'ouverture de la séance. Les soumissions sont remises cachetées en séance publique. En cas d'adjudication restreinte, après que les titres des concurrents ont été examinés en comité secret, il est donné lecture de la liste alphabétique de ceux qui sont admis à concourir. Les soumissions des autres ne sont pas ouvertes.

Dans le cas où le prix le plus avantageux est offert en même temps par plusieurs soumissionnaires, il est procédé séance tenante, avant l'ouverture du pli cacheté, à une nouvelle adjudication entre ces soumissionnaires, sur de nouvelles soumissions.

Lorsqu'aucune soumission ne se trouve dans la limite du maximum de prix ou du minimum de rabais, il peut être procédé séance tenante à une nouvelle adjudication entre les soumissionnaires présents, qui sont admis, à cet effet, à présenter par écrit des rebais sur leurs premières soumissions.

Les résultats de chaque adjudication sont constatés par un procès-verbal relatant toutes les circonstances de l'opération. Ce procès-verbal peut être signé par toutes les personnes présentes ayant pris part à l'adjudication.

ARTICLE 57.

(*Cautionnements.*)

Les cautionnements exigés par les cahiers des charges, soit pour l'admission à l'adjudication, soit pour la garantie des engagements des adjudicataires, sont versés à la Banque d'État du Maroc.

Ils sont constitués soit en numéraire versé sans intérêts, soit en valeurs au porteur; rentes marocaines ou rentes sur l'État des Puissances signataires de l'Acte général d'Algésiras, l'Allemagne et l'Autriche-Hongrie exceptées. Les intérêts produits par ces titres bénéficient aux titulaires des cautionnements.

La valeur en capital des titres à affecter à des cautionnements est calculée d'après le cours de bourse du pays où ils ont été émis, compte tenu du change; pour les cautionnements provisoires, au cours moyen de la veille du dépôt; pour les cautionnements définitifs, au cours moyen du jour de l'adjudication. Quand le cours des titres est supérieur à leur valeur nominale, ils ne sont acceptés que pour leur valeur au pair.

La prise en charge du cautionnement définitif a lieu sur déclaration nouvelle de l'adjudicataire, après décharge du cautionnement provisoire.

Après la réalisation d'un cautionnement il ne peut être apporté aucun changement à sa composition, sauf en cas de remboursement de titres. Dans ce cas, le cautionnement peut être reconstitué en titres de même nature ou complété par le dépôt de la somme remboursée.

Les oppositions sur les cautionnements provisoires ou définitifs doivent avoir lieu entre les mains de la Banque d'État. Toutes autres oppositions sont nulles et non avenues.

La banque restitue les cautionnements provisoires au vu de la main-levée donnée par le fonctionnaire qui a présidé l'adjudication, ou d'office, aussitôt après la réalisation du cautionnement définitif de l'adjudicataire.

Les cautionnements définitifs ne peuvent être restitués en totalité ou en partie qu'en vertu d'une main-levée donnée par le directeur des finances sur la proposition du chef de service pour le compte duquel a été faite l'adjudication.

Sont acquis au Trésor les cautionnements provisoires des soumissionnaires qui, déclarés adjudicataires, n'ont pas réalisé leur cautionnement définitif dans les délais fixés par les cahiers des charges. Le reversement au Trésor en est poursuivi, en vertu d'un état de liquidation dressé par le receveur, approuvé par le directeur des finances et visé par l'administrateur. Il en est de même pour les cautionnements définitifs qui devraient être appliqués en totalité ou en partie à l'extinction de débets constatés par les services compétents.

ARTICLE 58.

(*Acomptes.*)

Aucun marché, aucune convention pour travaux et fournitures, ne doit stipuler d'acomptes que pour un service fait. Les acomptes ne doivent, en aucun cas, excéder les cinq sixièmes des droits constatés sur pièce régulière présentant le décompte, en quantités et en deniers, des services faits, à moins que des règlements ou cahiers des charges spéciaux n'aient exceptionnellement déterminé une autre limite.

A titre exceptionnel, les marchés passés avec des entrepreneurs ou artisans indigènes peuvent prévoir le versement d'avances conformément aux usages locaux, mais il ne peut être accordé d'avance antérieure au service fait que s'il y a marché préalablement souscrit.

[W 1772/222/28] No. 31.

M. Ayala to Sir John Simon.—(Received February 27.)

(Translation.)

Sir, *Spanish Embassy, London, February 20, 1935.*

SUPPLEMENTING the memorandum which Sr. García Conde, the then Chargé d'Affaires, handed in at the Foreign Office on the 7th January, and of which your Excellency was good enough to acknowledge the receipt by your note of the 12th ultimo, kindly promising that the request formulated in the memorandum would be examined with the utmost consideration, I have the honour to emphasise to your Excellency the extreme importance which the Spanish Government attach to the renunciation by His Britannic Majesty's Government of the capitulatory régime in the zone of the Spanish Protectorate in Morocco.

Every system of Capitulations is due, as your Excellency is perfectly aware, to the necessity of surrounding the nationals of one country in the territory of another of inferior civilisation with all the guarantees for the development of their juridical existence and the promotion of their commercial relations. Consequently, the reason for maintaining or abandoning this exceptional régime will always depend on the degree of guarantee which exists, and it may be affirmed without any manner of doubt that this guarantee is now absolute, since the Government and the administration of the territory are duly controlled by the Spanish authorities. The British subject in the Spanish Zone of Morocco would therefore be subject to genuinely Spanish courts which offer him guarantees of a legal nature equal to those which subjects of Great Britain find in Spain.

The civilising and humanitarian mission which Spain is carrying on in Morocco by creating in that territory a superior social condition and a development of a commercial nature, attended by the evident increase in the zone's capacity for consumption to the benefit of all countries which maintain commercial relations with the territory, eliminates from Spain's proposals the idea of carrying out a colonial enterprise actuated by egotistical interests. It is well known that Spain will never obtain compensation proportionate to the enormous sacrifices made in lives and money to establish the Protectorate in a rugged area peopled by natives who are the most turbulent and difficult to control in the whole of Morocco. In these circumstances, it is quite legitimate that Spain should ask the other countries who benefit by the condition of peace and economic development now prevailing in the Spanish Zone of Morocco to lend their moral support to her and not disturb her in her civilising work.

A waiting and doubtful attitude on the part of Great Britain, which was explicable while the Spanish Zone of Morocco was not completely pacified, has no basis to-day, when the occupation and pacification of the said zone appears to be completely and finally translated into fact.

Spain has hitherto acted with a view to seeking in agreement with the other interested countries the solution of these questions of an international nature relating to the Spanish Protectorate in Morocco. Persuaded of the moral right which she possesses on this occasion and of the strength of her position in law, she has full confidence that the just comprehension of His Britannic Majesty's Government will render possible a complete agreement in the appreciation of this question. She trusts that in consequence, animated by their just and at the same time friendly attitude, which the Spanish Government would appreciate at its full worth, they will be good enough within a brief period to renounce, as all the other interested countries have already done (as was mentioned in the memorandum under reference), the maintenance of the capitulatory régime in the Spanish Zone of Morocco. Thus a final end would be made to a situation which might well be designated as vexatious for the Spanish Protectorate and which involves for the Spanish authorities a loss of prestige among the native elements.

I have, &c.
AYALA.

No. 31A.

Sir John Simon to His Majesty's Representatives at Madrid (No. 112) and Tangier (No. 56).

[See Annex 43 in Confidential 14630 at back of volume.]

[W 1772/222/28] No. 32.

Sir John Simon to M. Ayala.

Your Excellency, *Foreign Office, March 8, 1935.*

I HAVE the honour to acknowledge the receipt of your note of the 20th ultimo, in which your Excellency expressed the desire of the Spanish Government that His Majesty's Government in the United Kingdom should now renounce their rights of consular jurisdiction in the Spanish Zone of Morocco.

2. His Majesty's Government have given this matter their careful consideration, but while looking forward to the time when it will be possible to meet the wishes of the Spanish Government, they have come to the conclusion that the appropriate moment for this step has not yet arrived.

I have, &c.
JOHN SIMON.

[W 2202/29/28] No. 33.

Consul-General Bullard to Sir John Simon.—(Received March 12.)

(No. 37 E.)

Sir, *Rabat, March 4, 1935.*

I HAVE the honour to inform you that the French Imperial Conference which is at present being held in Paris, has been awaited in Morocco with impatience, and that its proceedings are being followed with interest and anxiety. Like all other countries whose exports are mainly agricultural, Morocco has suffered severely from the fall in world prices, and the loss has been only partly balanced by the grant of quotas by France for various products of the French zone, in particular, wheat. Moreover, there was no security about the quotas. The wheat quota, it is true, is fixed for five years, but the over-production in France which led to the decision of the French Government to sell the surplus abroad at world prices raised anxiety as to the renewal of the concession at the end of the five-year period, while certain quotas which are fixed year by year were recently cut down, to the consternation of the Moroccan interests concerned. The distress among French fishermen, for instance, led to a large reduction in the quota for tinned fish exported from Morocco to France, and this was a severe blow to the fishing and canning interests here. All hopes, therefore, have been fixed on the Imperial Conference, the "French Ottawa."

2. On the 14th February, a long report was made to the conference by M. Ponsot, Resident-General for the French Zone of Morocco. A detailed summary of his speech is attached. It is interesting in three respects: it gives in convenient form figures illustrating the economic and commercial development of the country, its resources, and its indebtedness; it declares in very plain terms that Morocco is trying to meet, in addition to her own burdens, heavy expenditure which is rightly an imperial charge; and it deals with the peculiar position of Morocco in economic matters owing to the treaties which limit her freedom of action.

3. A few figures selected from those quoted by M. Ponsot will suffice to show how unsatisfactory the position is:—

(1) Of the expenditure provided for in the 1935 budget one-half is for costs of administration, about 28 per cent. for debt charges, and only 22 per cent. for "Other Expenditure." The total under the head of debt charges, which amounts to 240 million francs this year, will be 300 million in 1936. Some of the debt charges are in respect of remunerative expenditure, but by no means all.

(2) It is calculated that the annual production of the Protectorate is only 1,500 million, and this has to carry a budget of 900 million.
(3) In 1933 imports were 1,500 million and exports only 600 million.

4. M. Ponsot's bold proposal that France should recognise part of the Moroccan debt as a fair charge on the mother country arose out of his remarks on the settlement of French "colons" in Morocco. Very many of these settlers, even of the "official" settlers who received land on easy terms, are now in great difficulties. Apart from debts contracted for the purchase of land and stock, they usually owe considerable sums to private firms for agricultural machinery, petrol, &c. Their chief crop is wheat. The French quota does not absorb all the wheat they grow, and to sell in any other market means selling at a loss. M. Ponsot's contention is that the wheat was grown at the request of France—that, indeed, the "colonisation" itself has been carried out to satisfy a French imperial interest. This is true. Morocco may have gained a little from the presence of the French settlement at first, before wheat became unsaleable; but the object of the settlement of Frenchmen here is mainly to consolidate the foothold of France in Morocco, as it has been consolidated in Algeria. It is quite certain that some of the debts owing by the settlers will have to be written off, and it would be only right that the resulting loss should fall, largely if not entirely, on the French Treasury. And it is not only in respect of settlement that Morocco is carrying a burden which should be borne by France. M. Ponsot rightly describes the Moroccan railways as to some extent an imperial interest. With its sparse and poor population, Morocco could probably manage with roads and motor vehicles. It is the strategic interests of France which have necessitated the construction of an expensive network of railways.

5. In his reference to the treaties which limit Morocco's freedom of action in tariff matters, M. Ponsot makes an allegation which is, I believe, not admitted by His Majesty's Government, viz., that England's right to commercial equality in Morocco lapsed on the expiry of a period of thirty years from the date of signature of the Anglo-French Agreement of 1904. M. Ponsot attacks what he calls the Act of Algeciras régime, as being unsuitable to modern conditions, being less favourable than the terms of the mandates are to mandated territories, and making it impossible to establish a reasonable balance of trade with foreign countries. He declares that the countries that signed the Act of Algeciras, or adhered to it afterwards, export goods to the value of 770 million francs to Morocco and import only 199 million from Morocco. The request he makes of France "in the economic field" may be repeated in full here. He asks her to open her doors wider, to stabilise their mutual commercial relations, to maintain the present quotas and to develop them by a method of co-ordination which shall extend to all French possessions, and to consider the establishment of a preferential régime which will give Morocco an advantage over the most favoured foreign nations.

6. A second enclosure attached to this despatch gives the recommendations concerning Morocco which were made subsequently by a committee appointed by the conference to define the bases of a "politique de soutien" between France and her overseas possessions.(1) The committee recommended unanimously that, until circumstances permit the complete incorporation of Morocco in the customs régime of the overseas possessions of France, the quota system should be extended and stabilised, preferential treatment should be granted, both by France and by other French territories, to Moroccan exports not covered by the quota system, that when France engages in commercial negotiations with foreign countries she should defend the outlets for Moroccan exports in those countries, and that efforts should be made to recover for Morocco freedom in customs matters, with the object of safeguarding her products and her foreign exchanges and of maintaining the economic preponderance of France.

7. Whatever the result of the Imperial Conference may be in regard to Morocco, it will at least have served as a warning to us. The economic interests of France and Morocco are not always complementary: they are sometimes antagonistic, though much less often than if Morocco were a manufacturing country; but France must maintain the Moroccan connexion for strategic reasons and must therefore bolster up the finances of Morocco. The assistance given to Morocco can be afforded by (1) direct subsidies from the French Treasury; (2) a

(1) Not printed.

great increase in indirect subsidies such as those afforded by the quota system; (3) an effort to obtain better terms for Morocco from foreign countries. A nation more free-handed than the French might well prefer the third solution, and it is to be expected that from now on heavy assaults will be made on the tariff arrangements which have kept Morocco open as a market for all countries alike, and that if the opposition from various quarters prevents the quota system accepted by His Majesty's Government from being brought into force, we shall soon be faced by requests to accede to arrangements which may prove to be less advantageous to the British manufacturer.

8. Copies of this despatch have been sent to the Department of Overseas Trade, and to His Majesty's consular officers at Tangier, Algiers and Casablanca.

I have, &c.
R. W. BULLARD.

Enclosure in No. 33.

Summary of a Report on Morocco made by M. Ponsot, Resident-General, to the French Imperial Conference at Paris on February 14, 1935.

MOROCCO, which up to the beginning of the 20th century was closed to contact with the West, has since undergone a gigantic development, which has passed through three stages. These stages, which overlapped in some measure, are:—

The diplomatic period, 1901–12.

The military period, which ended only with the completion of the pacification of the country in 1934.

The third stage, beginning from the moment when the pacified portion of Morocco began to attract capital from France.

France considered it necessary that her protection should extend from Tunis to the Atlantic lest the establishment of rival Powers on the flanks of Algeria should endanger the safety of France. The agreement with England in 1904 was the prelude to the action of France in Morocco, and it then appeared that France could only work for the reorganisation of Morocco under the régime of commercial equality. An agreement made with Spain was not sufficient to establish her rights. The Act of Algeciras in 1906 imposed the principles of the open door and of economic equality—an extension of the commercial equality stipulated by England from the beginning for a period of thirty years. The agreements of 1909 and 1911 with Germany were still necessary to enable France to act. Consequently, as soon as the Protectorate was established, in 1912, it was clear that France would have to carry out her plan to renovate the Shereefian Empire in the face of great difficulties of international character.

M. Ponsot then paid a tribute to Marshal Lyautey, who, by 1924, had pacified one half of Morocco—an area which constituted "le Maroc utile." In the same time commerce increased from 220 million francs in 1913 to 2,000 million to-day. The economic development of the country has proceeded rapidly, thanks to public loans and private investments, the former amounting to 5,000 million and the latter to from 8,000 to 10,000 million. Until 1924 Morocco had borrowed little; her debt was hardly 500 million. This is a matter for regret from one point of view: Morocco has developed since the devaluation of the franc and during the period of high prices. Morocco is to-day supplied with the most modern economic equipment. 3,000 million have been spent on railways, 1,300 million on ports, 440 million on roads, 500 million on electrification, 550 million on irrigation and water schemes. Meanwhile, private investment has caused new towns to spring up in many places. The money invested in this form of development may be reckoned at 4,000 or 5,000 million. At the same time settlement has gone on with increasing speed, largely on a basis of credit. At the request of France, "seeking therein an assurance for the present and a guarantee for the future," more than 1,000 million have been invested in the development of the soil. Companies which have taken part in the economic development have invested from 2,500 to 3,000 million, apart from the investments of individuals.

The Moroccan budget, which was insignificant at the time of the occupation, was 300 million in 1924, and 1,000 million in 1931, when prosperity was at its height. In 1935 there is a reduction which is due to the crisis, and the budget balances at about 900 million :—

		Per cent.
Public debt	240 million, say	28
Cost of administration	450 „ „	50
Other expenditure	200 „ „	22

The debt charge is very heavy. Yet it cannot be reduced. On the contrary, the debt charge will increase from 240 to 300 million in 1936. This is a crushing weight when it is considered that the equipment which to a large extent meets the imperial requirements of France is borne almost entirely by Morocco, whereas the profits which it is to bring it cannot be realised at present. Thus the Moroccan budget is 900 million against a production for the whole country, which, it is reckoned, hardly exceeds 1,500 million. Expenses have been cut down, but there is a limit to that remedy. Sixty million have been saved by reducing expenditure on personnel and administration, and another effort, based on administrative reform and reduction of staff, should save 40 million a year from 1936 and bring up to 20 per cent. the saving on personnel. The 22 per cent. for other expenditure is hardly capable of reduction. It already includes items which the crisis has forced the authorities to take into the general budget, *e.g.*, expenditure formerly debitable to loans, or to the reserve fund, or to the profits on the phosphate industry.

The Moroccan budget cannot then be reduced much more, and the Shereefian Government can no longer give the economic development of the country the help which it has hitherto afforded. Some of the best minds have therefore been led to think that some of the burdens on Morocco should be shared by France, since they are imperial in character. No direct receipt will be realisable for a long time to come to counterbalance the cost of the economic equipment. This is particularly true in regard to the railways; the cost of the Tangier–Fez line still falls on France for special reasons, but the Morocco railway system, which represents a capital expenditure of 2,500 million, is a charge on the Moroccan budget alone.

The following figures show the total value of Moroccan imports and exports taken together :—

	Million.
1913	221
1923	1,052
1929 (peak year)	3,780
1933	2,132

The decrease from 1929 to 1933 is mainly due to a falling off in exports [*sic*], for whereas imports have fallen from 2,500 million to 1,500 million, exports have gone down from 1,233 million to 600 million. These figures show the unfavourable balance of trade, which is 932 million, or half as much again as the total value of the exports.

The 600 million of exports are distributed thus :—

	Million.
Agricultural and forest products	432
Fisheries	30
Mines	124
Manufactures	14
	600

Morocco can only pay her debts with her exports, and she can only export what she produces—cereals, fish (fresh or preserved), and minerals such as phosphates and coal. The most important agricultural product is wheat, which accounts for about 25 per cent. of the exports. Phosphates, although a very valuable asset and intended almost exclusively for export, come after wheat in the table of exports. This calls for particular attention in the consideration of the question of settlement, for the settler depends mainly on wheat, and the price of wheat has fallen by about half, whereas his financial burdens have hardly diminished at all. During the last year the Government of the Protectorate, compelled to seek for products other than wheat to redress the balance, and realising at the same time the difficulties of France, has discouraged the production of soft wheat by all possible

means. It has also prohibited the planting of vines. Efforts are being concentrated on the development of fruit, of vegetables, and of such cereals as France has to import from abroad, *i.e.*, on wheat which has a high value for milling, industrial barley, maize, vegetables, &c. But whatever success attends these efforts, the desired result cannot in any case be attained for some years, and it will not be attainable at all unless Morocco is assured of fairly lasting economic support from France.

The really disturbing problem for the French settler to-day is wheat. The resources of the Shereefian Government, which have been used to the utmost in this respect, are exhausted. Its reserves, too, are exhausted, while the credits granted for settlement in the past were often on so generous a scale that the value of the land does not warrant the making of any fresh advances. Two thousand four hundred official and private settlers have brought under production 800,000 hectares, and this rapid development has only been possible through the granting of credits and by making full use of co-operative and mutual help organisations. This development represents 1,000 million francs, half of which constitutes the settlement debt which is so heavy to-day. The detailed figures are these :—

220 million for long-term loans.
43 million for medium-term loans.
35 million for short-term loans.
147 million for loans made in 1931 to obviate a crisis.
50 million for commercial loans.
50 million for other loans.

This was the situation on the 1st January, 1934, and it has not changed appreciably since. The State has spent as capital for the benefit of settlement 276 million, and guaranteed 225 million advanced by lending organisations. Moreover, the budget and certain special accounts must now absorb an annual charge of 25 million. "This means a considerable effort which the present budget of the Shereefian Government, anxious to assist native as well as French cultivators, cannot exceed. Yet a remedy must be found, for French settlement must not perish. It was called into existence by a French imperial interest, and since the completion of the work of pacification allows France to reduce little by little the financial strain of Morocco, would it not be reasonable that France, by suitable economic measures, should assist the work of settlement during this difficult period of adaptation and transition? It would not be right to ask more of the Protectorate budget, which is already burdened so heavily with other imperial expenses. Besides, it would be useless. Settlement is part of the imperial equipment of France. It is not Morocco asking for help, but Frenchmen who were called upon by France to carry out a work of lasting importance."

Morocco must export to pay for its imports and its loans, and also to set France free from the responsibility she has assumed for 5,000 million for public loans. But here comes the difficulty that, whereas Morocco is compelled to follow the régime of the open door for its imports, its exports find only too often that the door is closed, as in the case of its wines, or only half open, as for its wheat.

The Act of Algeciras régime did little to ensure reciprocity. Moreover, it was extended gratuitously (from the Moroccan point of view) to countries who, not being signatories of the Act, had no right to it. To one coming from seven years spent in the Mandated Territory of Syria it seemed that equality was interpreted much more generously in the Shereefian Empire than in mandated territories. It may be argued that the chief treaties, *e.g.*, those of 1856 and 1861, which deprive Morocco of her liberty in customs matters, and the Act of Algeciras, which provides for payment of customs dues in kind, were suitable to primitive economic and administrative conditions, but they are not suited to modern Morocco as administered by the Protectorate. The best proof of this is that the formula of commercial equality inserted in the mandates is much less rigid, and even that formula, if it were to be drafted afresh, would certainly give a larger place to the idea of reciprocity. To illustrate this: in 1933 exports to Morocco from the countries which signed the Act of Algeciras were 381 million francs and imports from Morocco only 135 million. The figures for the Powers which adhered subsequently to the Act were 389 and 64 million respectively. It is such considerations which induced the Protectorate Government to ask France to negotiate with a view to securing a fairer balance in the economic relations

between Morocco and foreign countries. These negotiations, which are now in process, are inspired not only by recognition of the vital needs of Morocco, but also by the recognition, by foreign countries, of the efforts made by France in opening up, pacifying and developing that country.

France and French possessions export to Morocco goods to a value of 762 million, but France [*sic*] imports from Morocco to a value of 410 million only. The quota system, which was established by the laws of the 14th November, 1921, and the 18th March, 1923, was extended by the law of the 4th April, 1932, to the majority of Moroccan products just when the right of Morocco to export her cereals to France was restricted, while production had been doubled or trebled. Moreover, except for wheat, which is covered by a five-year arrangement, the quotas are revised every year, and this introduces an element of uncertainty which is injurious to both parties. In 1927 France considered the possibility of absorbing the whole production of Morocco, with the exception of wines and alcohol, but Algeria put a veto on the Bill which was drafted. The quota for wheat to-day (800 million quintals, of which only 150 are for hard wheat) represents about half the production of Morocco in soft wheat and 4 or 5 per cent. in hard. At the request of the French Government, Morocco did not hesitate, in 1933, to sign an agreement which helped the phosphates of Tunisia and Algeria. But whereas Algeria is part of France, Morocco has no access to French possessions, except as a foreign country enjoying most-favoured-nation treatment.

Morocco asks France, in the economic field, to open her doors wider, to stabilise their mutual commercial relations, to maintain the present quotas and to develop them by a method of co-ordination which shall extend to all French possessions, and to consider the establishment of a preferential régime which will give Morocco an advantage over the most favoured foreign nations.

No. 33A.

Sir G. Grahame (Madrid) to Sir John Simon, No. 150 of March 13, 1935.

[See Annex 44 in Confidential 14630 at back of volume.]

No. 33B.

Sir John Simon to Sir G. Grahame (Madrid), No. 153 of March 19, 1935.

[See Annex 49 in Confidential 14630 at back of volume.]

[W 2476/2476/28]

No. 34.

Consul-General Bullard to Sir John Simon.—(*Received March 20.*)

(No. 42.)

Rabat, March 12, 1935.

Sir,

I HAVE the honour to transmit herewith a pamphlet entitled *Plan de Réformes*,(1) which was left at this office by an unknown person recently. It purports to have been drawn up and presented to the Sultan, the French Government and the Resident-General in Rabat by the Comité d'Action marocaine. Any comments that require to be made were anticipated to some extent by my despatch No. 115, dated the 18th September, 1934, to which I beg to refer you. As was to be expected from the well-known fact stated in the first paragraph of that despatch, most of the persons mentioned as members of the committee belong to Fez. Mohamed Ouezzani was editor of the *Action du Peuple* at the time of its suppression by the Protectorate authorities in May 1934. The moment for the

(1) Not printed.

publication of the pamphlet was well chosen: it appeared and was widely distributed just at the time when the Imperial Conference in Paris was drawing attention to the North African territories of France, and when, as the committee might well suppose, the Resident-General would have to produce figures showing that Morocco had been paying heavily for certain purely French interests.

2. The committee's proposals, which would furnish a Constitution and a complete scheme of social reform, can hardly be meant to be taken literally. It is true that on p. 31 the committee say that, whether the reforms are to be carried out now or later on, they must be accepted as a whole, in principle, but they end their introduction by saying to the authorities: "This is our programme. What is yours?" Regarded as a counter for bargaining, the proposals have some value, but it is difficult to regard as serious in themselves a programme of reforms which would tax the energies of a European State but is to depend on Moroccans for its execution. To make the scheme less fantastic, a rosy picture of Morocco in the days before the Protectorate is painted. The reign of Mulay Hassan, in particular, is represented as an age of gold. According to the committee, not only was he negotiating with foreign Powers agreements which would have been a step towards the abolition of the Capitulations, but "he also undertook the modernisation of the Moroccan army, notably by calling in military instructors of various nationalities, and had begun the building up of a navy by the purchase of several vessels." It is not surprising if a scheme begun in this mood should be in places a little remote from reality.

3. The committee's main contention is that the French have not kept the bargain made with Morocco in the treaty of 1912, which established the Protectorate. They quote several statements by Marshal Lyautey as to the necessity of maintaining the authority of the Sultan as a reality, not as a façade; of exercising not direct administration but "contrôle"—the equivalent perhaps of the functions enjoyed by a resident in an important native State in India; and they claim, on good grounds, that that policy has not been followed. They also claim that, while the French have admittedly developed and improved the country, the progress is less than it ought to have been, that it has often been carried out at ruinous cost to the Moroccan State, and that it has been given a heavy bias in favour of the European minority.

4. The grievances of the committee are set out in detail in the introduction to the pamphlet. According to them, the policy which has been pursued since 1912 is objectionable in that—

(1) It is racial; it distinguishes between subjects of foreign Powers and Moroccans.

(2) It is discriminatory in financial matters. The Moroccan taxpayer is more heavily taxed than the European, and, although Moroccans provide the greater part of the revenue, they receive a smaller share of the benefits. For instance, the Moslem courts do not figure in the budget at all.

(3) It is obscurantist. The education provided for Moroccans is utilitarian, *i.e.*, professional, and backward, and not adapted to the real needs of the people. Moroccans have only two secondary schools, the Moslem high-schools at Fez and Rabat. The Moslems, who number from 7 to 8 million souls, have schools for only 11,000 pupils, out of a population of school age of at least half a million. On the other hand, the European colony, which numbers about 173,000 souls, has primary and secondary schools for more than 30,000 pupils. For them education is compulsory. The Moroccan Jews, who do not number more than 118,000, have a school poulation of over 10,500 children, divided between Franco-Jewish schools and French institutions.

(4) It is anti-Liberal. Moroccans have no organ of opinion in which they can express their views, and apart from a few societies of a mildly philanthropic or educational character—and these all semi-official—they may not form societies, not even athletic societies, or hold public meetings. Any persons whose professed opinions differ from those held in the official world may find themselves the object of repressive measures. The European colony, on the other hand, enjoys the freedom of the press, of meeting and of association.

(5) It is a colonising policy, concerned to "bag" the best lands from Moroccans for distribution to settlers, many of whom do not even possess the qualities necessary for success. A Shereefian decree of December 1927 assimilates expropriation for settlement to expropriation as a measure of public utility. Apart from the scandalous abuses to which this has led, and to the financing of settlement by the State, you have the spectacle of fellahs often living on grass and roots in the middle of plenty.

(6) It is an assimilating policy, expressing itself in an organised, if at times disguised, struggle with Arab culture and Moroccan tradition, and consequently a permanent cause of racial and social differences.

5. The committee refer to the disorders provoked by the "Berber" dahir of the 16th May, 1930 (the dahir which provided that among the Berber tribes both civil and criminal cases should be dealt with according to tribal custom, not to Moslem religious law), and state that M. Saint, who was Resident-General at the time, admitted when he left that mistakes might have been made and prophesied that reforms would come. The present scheme of reform, the committee say, is the fruit of two years' work. They were at first encouraged by official promises, but met in the end with disappointing ostracism. The incidents at Fez in May 1934, on the occasion of the Sultan's visit, served as a pretext for the suppression of the Moroccan press, and the policy of repression was resumed. Faced with a choice between opposition which might end in serious incidents and the preparation of a scheme of practical and moderate demands, the committee wishing to prove themselves neither "systematic disparagers" nor "professional agitators," chose the latter.

6. Figures to illustrate the grievances are given in a supplement, from which a few examples may be quoted :—

Education.

Estimates for 1933—	Fr.
French secondary education	20,337,350
Primary and technical education for Europeans and Jews	33,632,800
	53,970,150
Moslem secondary education	4,531,127
Primary and technical Moslem education ...	13,420,450
	17,951,577

Justice.

Estimates for 1933—	
(*a*) French courts	20,836,540
(*b*) Berber courts for tribal customs	2,282,470
(*c*) Moslem courts and Ministry of Justice ...	5,093,580

Subsidies to Religious Bodies.

Estimates for 1933—	
(*a*) Apostolic Vicariate	166,500
(*b*) Contribution towards building of churches	157,500
(*c*) Contribution towards building of Protestant churches	45,000

Figures are also given tending to prove that far too many French officials are employed in Morocco, and showing how high their pay is. As compared with the corresponding officials in France, they receive a Morocco allowance of 50 per cent. of their pay, an allowance of 20 per cent. for quarters, and travelling allowances on leave amounting on an average to 10 per cent.

7. The committee's grievances vary greatly in validity. The repression of all manifestations of anti-French feeling seems very severe, but it must be remembered that until a year ago a large part of the country was still unconquered. Nor is the education question as simple as the committee imply,

as the controversy now in progress in England about secondary education servcs to prove. It is not only in their own interests that the French wish to give Moroccans a technical rather than a literary training, though from the Moroccan point of view the policy is based solely on a desire to restrict the Moroccan to manual work, and thereby to keep him in a position of inferiority. Nevertheless, and even when allowance has been made for the fact that the educational and spiritual needs of the Moslems are met to some extent out of the wealthy "habous" or religious endowments, which are an indirect charge on the community, the budget grants for education are unfair, while the grants to non-Moslem religious bodies, which are interesting as proof of the maxim that anti-clericalism in France is not an article of export, can have no justification.

8. The most damaging criticism is that relating to the settlement of French "colons" in Morocco at the expense of the State. In his recent speech in Paris, which I summarised in my despatch No. 37 E, dated the 4th March, M. Ponsot described the settlement of Frenchmen in Morocco as an Imperial French interest, and stated that the Shereefian Government could give it no further help. He was referring to the overt assistance given out of the budget, but the committee lay stress on another abuse, viz., the help given in the form of forcible expropriation for settlement as a work of public utility. A long list of decrees relating to such acts of expropriation is given in the supplement, and while it is not to be supposed that all the lands covered by these decrees were being fully exploited by their native owners, it is certain that the expropriation has often caused hardship to Moroccans and left resentment behind.

9. The proposals for reform vary so much in importance and reasonableness that it is impossible to pass a general criticism. They range from a skeleton Constitution to the mild request that Moslem religious sentiment shall be spared by renunciation of the use of the word "cross" in connexion with Shereefian decorations, and by so arranging the work of the courts and the Government Departments, which at present work on Friday and close on Sunday, that the religious observances of Moslems may not be hindered. Occasionally, the proposal refers to a real abuse, such as the illegal beating, fining and detention of fellahs by settlers; sometimes it strikes back at the Moroccan, as when it is proposed that slavery be abolished. At times the committee ask for an economic reform which is not only reasonable but which local circumstances make particularly necessary, *e.g.*, the demand for the creation of inalienable minimum holdings for fellahs; sometimes, as in the section relating to public health and social services, there is a canting implication that the French have done nothing, and that the Moroccans care more for such things than the French do.

10. The political proposals naturally provide for wider scope for Moroccans. There are to be elaborate elections to a National Council, but there is an anti-climax which is nevertheless one of the pieces of wisdom in the proposals, that the council shall be consultative only; the Sultan is to follow their resolutions or not as he thinks fit. It is proposed that several Departments at present run by Frenchmen (Commerce, Pious Foundations, &c.) shall be transferred to Moroccan Ministers, but the position of the Resident-General is nominally left untouched. The French courts, which at present have jurisdiction over all foreigners, are to be reduced to the consular jurisdiction from which they have developed, but under what jurisdiction foreigners other than French are to be placed is not stated. Indeed, little indication of the attitude to foreigners is given; but since any transfer of power from the French to Moroccans would tend to strengthen the position of foreigners, this point need not arouse any anxiety at present.

11. It is to be noted that Arabic is to be the language of the Moroccan courts, and that a vast range of documents, &c., are to be printed in Arabic as well as French when not in Arabic only. There is no sign that the committee, keenly as they defend their own language, have the slightest sympathy with a Berber who prefers to use his own tongue, or knowledge of the fact that large masses of the population do not know Arabic at all. Comparison with the attitude of the Iraq Arabs towards the Kurds is unavoidable, as is the reflection that the moment the toad escapes from under the harrow, nothing will satisfy him but to set up a harrow of his own.

12. The claim of a small vocal minority to represent a backward community is always debatable, and if the French say that the Berber of the south is not represented by a committee of Fasis and takes no interest in their programme, the

committee might retort with some justice that the French take good care not to allow this question to be put to the test of propaganda and publicity. Some of the demands, if widely known in Morocco, would have a wide appeal, and if the French had been the wise administrators that some British writers on colonial affairs have represented them to be, they would have attended to them before. There are far too many French officials, particularly in the lower branches of the Administration. The budget is too heavy for so small and poor a country, which has been developed to suit French rather than Moroccan aims. The burden of the cost of settlement ought to be transferred to French shoulders, and there should be greater security for the fellah. The Plan of Reforms puts the Protectorate Administration in a difficult position, in that it states many grievances which the Administration would have had to attend to in any case. An otherwise abusively critical article on the Plan of Reforms, which is published in the *Afrique française*, admits that some of the reforms demanded are overdue, and M. Ponsot has instructed the officials of the Native Affairs Department to report confidentially on the feasibility of certain of the proposals. While this despatch was being written, legislation has appeared which circumscribes to some extent the favoured position of the French official here, and his pay has just suffered a second and considerable reduction, while the discussions at the Imperial Conference in Paris have resulted in the promise of a subsidy for Moroccan wheat exported to countries other than France. It will be very long before France will hand over the real power in Morocco to native administrators; but if the more serious economic and social grievances can be met, and above all if (not an easy task) it can be made to appear that the economic future of Morocco is bound up with that of France, the task of the Committee of Action will be rendered much more difficult.

13. Copies of this despatch, without enclosure, are being sent to His Majesty's consular officers at Tangier, Algiers and Casablanca.

I have, &c.

R. W. BULLARD.

[W 3851/29/28] No. 35.

Consul-General Bullard to Sir John Simon.—(*Received May* 3.)

(No. 76 E.)

Rabat, April 29, 1935.

Sir,

IT is now possible to supplement my despatch No. 37 E., dated the 4th March, in which I summarised the speech made by M. Ponsot at the French Imperial Conference, by reporting the measures taken or recommended with a view to helping the French Zone of Morocco out of the economic difficulties described by the Resident-General in his speech.

2. In the first place a permanent committee has been established, under a decree promulgated on the 25th February, to watch over and co-ordinate the interests of the French territories on the Mediterranean. This committee, which is to be known as the Mediterranean and North Africa Committee, will meet at least once a year under the chairmanship of the President of the Council; the other members will be the Minister for the Colonies and the representatives of the French Government in Morocco, Algeria, Tunisia and Syria. In this respect I beg to refer to the despatch from His Majesty's Ambassador in Paris, No. 280, dated the 21st February, which deals with this committee.

3. An attempt is being made to reduce the number of French officials, which is generally admitted to be far too large for this poor and sparsely-populated country. Compulsory retirement and discharges are to be so arranged as to secure, it is hoped, a saving of one-tenth in the expenditure of each department. Some such economy is necessary, but this rough and ready application of a common rule to departments varying greatly in importance and compressibility, lends itself to criticism. Economy is also to be effected by making a second large reduction in salaries and by reducing the large overseas allowances which have hitherto amounted to one-half of the basic pay. These projected economies have led to strong protests from certain vested interests, especially the organisations to which the lower-paid officials belong.

4. As a result of the Imperial Conference in Paris, the French Government have agreed to allow Moroccan wheat to benefit by the export subsidy arrangement. The quantity of Moroccan wheat falling within the French quota, but still stored in Morocco for lack of buyers in France, amounts to about 600,000 quintals. If this wheat were exported to France it would benefit to the extent of 63 fr. a quintal by the total remission of the customs duty, and the French Government has perhaps made a good bargain in undertaking to pay 47 fr. for every quintal of it which is exported to some other country. The protectorate authorities are to have the management of the proceeds, and they propose to pay less than 47 fr. for certain kinds of wheat, and to use the balance to pay an export subsidy of 30 fr. in respect of 300,000 quintals of "blés bloqués," *i.e.*, wheat which was barred out of the current quota and is waiting for the next quota period. It is possible that this scheme may be suspended soon, as the wheat crop is likely to be very bad indeed this year owing to lack of rain.

5. It has been recommended by the Development and Transport Committee of the Imperial Conference that the French Government should provide 620 million francs for the development of Morocco, viz. :—

	Millions of francs.
Public Health	70
To increase production	400
Ports, &c., and river transport	70
Railways (new lines)	80
Total	620

The programme is planned to take 15 years. During the first six years (1936–42) the expenditure would be :—

	Millions of francs.
Public Health	40
Production	130
Railways (new lines)	80
Total	250

The scheme apparently provides for payment by France of part of the interest on the loans that would be raised for these purposes. The annual subsidy would diminish slowly or rapidly in proportion to the time taken by the object on which the expenditure is incurred in beginning to pay. It is not necessary to examine this scheme in detail, as it has not been accepted, and as, moreover, there may be much opposition to its acceptance in Morocco, where it is commonly thought that enough money has been borrowed and that no more loans should be raised unless France takes over the responsibility for expenditure already incurred on objects which are of imperial rather than of Moroccan interest.

6. According to speeches made by two of the Moroccan delegates to the Imperial Conference, various commissions made other recommendations in favour of Morocco, of which the most important were these :—

(1) That the wheat quotas granted to Morocco be extended. (This would be ineffective so long as France cannot absorb the quantity of Moroccan wheat already allowed in duty free under the existing quota.)
(2) That favourable quotas be fixed for fruit and early vegetables, wine and meat.
(3) That, "in view of the necessity to maintain in Morocco a deeply-rooted French population," the indebtedness of "colons" be reduced by the scaling down of capital charges and remissions of interest, that State lands be bought for the settlement of "colons," that the French market be thrown open more widely than at present, and that railway and shipping rates be reduced.

As the press point out, these recommendations can only be translated into law by decree or parliamentary vote, and they have to compete with many other projects of public interest.

7. Public opinion is pessimistic about the Imperial Conference, though the depression of spirits is partly due to a circumstance which has nothing to do with

the conference, viz., the serious drought in the French Zone. For several weeks past, all over the country, Moslem processions have been going about the streets and the countryside praying for rain, but there is still no rain, and even if it came now much of the grain crop will have been lost. This may benefit the owners of stocks of grain from past years, but it means starvation for many small cultivators. The "colon" is depressed because nothing has been done to reduce the burden of debt under which he is struggling; in comparison with this need nothing else matters to him. As to the officials, who form a much too large element in the European population, those who have not already been struck by the axe feel it suspended over them, and they argue that it is not the savings effected or to be effected at their expense which will make the budget button up at the back.

8. Copies of this despatch are being sent to the Department of Overseas Trade, and to His Majesty's consul-general at Tangier.

I have, &c.
R. W. BULLARD.

[W 4021/1832/28] No. 36.

Mr. Gye to Sir John Simon.—(*Received May* 10.)

(No. 69.)

HIS Majesty's consul-general at Tangier presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit to him copy of despatch No. 37 from His Majesty's consul, Tetuan, dated the 2nd May, respecting the Spanish occupation of the Sahara.

Tangier, May 3, 1935.

Enclosure in No. 36.

Consul Monck-Mason to Mr. Gye.

(No. 37. Confidential.)

Tetuan, May 2, 1935.

Sir,

I HAVE the honour to report that I learn from a confidential source that it is the intention of the Spanish authorities to proceed within about two months from now to the occupation of the interior of the Spanish Sahara. Major De Oro, who acted as General (then Colonel) Capaz's lieutenant in the occupation of Ifni, was a few days ago appointed Governor of Cabo Juby and the Spanish Sahara, in succession to Major Deleito, and it is understood that he has been entrusted with the mission of organising the advance into the interior. Supplies of armoured lorries, both of the ordinary kind fitted with "armour" and of the caterpillar variety, are said to be in course of preparation, as well as a number of motor-cycles; most of the personnel, military and civil, have already received their orders.

I have, &c.
A. MONCK-MASON.

[W 5615/29/28] No. 37.

Mr. Gye to Sir Samuel Hoare.—(*Received June* 28.)

(No. 91.)

Tangier, June 18, 1935.

Sir,

MY attention has recently been called to a lecture given to the French Colonial Union in Paris on the 30th January, 1934, by M. Basdevant, legal adviser to the French Foreign Office, at which M. de Saint-Quentin presided. I enclose herewith extracts of M. Basdevant's speech,(1) as published in the September–October 1934 number of the *Recueil de Législation de Doctrine et de Jurisprudence coloniales*, together with a reproduction, almost *in extenso*, of M. de Saint-Quentin's speech.(1)

(1) Extracts only printed.

2. It will be observed that both speakers accept the disabilities of the present situation in Morocco as a natural counterpart to the existence of a French protectorate. This attitude is in marked contrast with the views of the local French bureaucracy. Here, constant attempts are being made to evade treaty liabilities, especially in commercial matters. In this connexion I would refer to my immediately preceding despatch, in which I comment briefly on my Belgian and Dutch colleagues' desire for a definite interpretation of various treaty questions.

3. As regards the question of payment in kind, I would draw your attention to that part of M. de Saint-Quentin's speech in which he says that the customs may not impose its own estimate of value, but may levy duty in nature. The local customs usually do force the importer to accept the higher valuation.

4. It is not, however, my present purpose to comment at length on these two speeches, but I do consider them worthy of being placed on record.

I have, &c.
ERNEST F. GYE.

Enclosure 1 in No. 37.

Extrait du Recueil de Législation de Doctrine et de Jurisprudence coloniales, *numéro de septembre–octobre* 1934.

Le Régime des Protectorats nord-africains.

(Extraits.)

LA conférence qui suit a été faite au centre d'études juridiques coloniales de l'Union coloniale française, le 30 janvier 1934, par M. Basdevant, professeur à la faculté de droit de Paris, conseiller juridique du Ministère des Affaires étrangères.

M. de Saint-Quentin, Ministre plénipotentiaire, sous-directeur d'Afrique et Levant au Ministère des Affaires étrangères, président de la conférence, a présenté le conférencier.

Conférence de M. Basdevant.

* * * * * *

Nous avons rencontré beaucoup de difficultés au Maroc, particulièrement d'ordre international. . . . . Pour les résoudre, nous avons consenti à passer des traités. Mais lorsqu'on passe un traité tout ne va pas d'un côté, et naturellement, nous avons souscrit des obligations.

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. . . . pour le Maroc—nous l'avons bien senti pendant les douze premières années de ce siècle—il a fallu passer par de grandes complications internationales, en sorte que le régime du Maroc n'est pas déterminé uniquement par un traité de protectorat entre la France et ce pays, traité signé le 30 mars 1912, et qui s'inspire de l'expérience tunisienne, mais qui provient aussi, dans une large mesure, de plusieurs actes internationaux. Je signale les principaux: la Déclaration franco-anglaise du 8 avril 1904, bientôt suivie de la Déclaration franco-espagnole du 5 octobre de la même année; le Traité avec l'Espagne du 27 novembre 1912; l'Acte général de la Conférence d'Algésiras signé par les Puissances ayant des rapports conventionnels avec le Maroc, le 7 avril 1906; enfin, la Convention franco-allemande du 4 novembre 1911, convention au bénéfice de laquelle l'Allemagne a sans doute renoncé par le Traité de Versailles, mais qui reste en vigueur, parce qu'elle a reçu l'adhésion des Puissances signataires de l'Acte d'Algésiras.

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Au Maroc, nous avons eu aussi à nous occuper des anciens traités conclus par le Maroc avec des Puissances étrangères. Ces anciens traités consacraient, entre autres choses, le régime des capitulations. Les Puissances sont arrivées à y renoncer au Maroc, à l'exception de deux: l'une, c'est la Grande-Bretagne, qui bénéficie toujours du régime des capitulations au Maroc en raison du fait que

l'accord de 1904 avec elle lie la suppression du régime des capitulations au Maroc à la suppression du régime des capitulations en Égypte; les deux questions se trouve liées, le règlement du problème avec la Grande-Bretagne, pour le Maroc, est rendu plus difficile. L'autre, ce sont les États-Unis d'Amérique. Il en résulte cette situation singulière que le régime des capitulations, qui a disparu dans un grand nombre de pays, notamment en Turquie, pays qui était la source de ce régime, subsiste aujourd'hui encore au Maroc au bénéfice de deux États. Evidemment, ce n'est pas raisonnable, mais il y a de par le monde des situations qui ne sont pas raisonnables et qui subsistent sans que l'on puisse les supprimer unilatéralement.

En second lieu, parmi ces traités anciens passés par le Maroc, il y avait des traités de commerce qui subsistent, sauf celui avec l'Allemagne, celle-ci y ayant renoncé par l'effet du Traité de Versailles. Ces traités de commerce contiennent, en matière commerciale, la clause de la nation la plus favorisée. En outre, les traités avec la Grande-Bretagne et avec l'Espagne fixent le tarif douanier qui sera applicable au Maroc; c'est un tarif douanier peu élevé, qui, si je ne me trompe, est de 10 pour cent.

En outre, au Maroc, nous avons à tenir compte d'une série de traités qui ont été passés par la France, de 1904 à 1911, en raison du caractère international qu'a pris la question du Maroc. Ces traités ont créé pour nous un certain nombre d'obligations dont voici les principales: en premier lieu, le régime de la porte ouverte, c'est-à-dire le régime de l'égalité économique, notamment en matière fiscale et en matière douanière. Les étrangers ne doivent pas être soumis à un régime de discrimination; c'est sur le pied d'égalité qu'en matière fiscale ou douanière ils doivent être traités.

Ici, on rencontre des problèmes d'interprétation qui sont assez délicats et dans le détail desquels je ne veux pas entrer. Il me semble, si j'interprète bien l'Accord franco-allemand du 4 novembre 1911, auquel les Puissances ont adhéré, que sauf à tenir compte du jeu du régime des capitulations pour ce qui est des États-Unis et de la Grande-Bretagne, le Gouvernement chérifien a, par l'effet de cet accord, assumé sans doute l'obligation de traiter, en matière fiscale, tous les étrangers sur le pied d'égalité, mais qu'il a, en même temps, recouvré le pouvoir d'établir des impôts vis-à-vis des étrangers, de sorte que son obligation serait seulement une obligation d'égalité. Je suis porté à penser que l'accord du 4 novembre 1911 a eu effet analogue en matière douanière. Si j'interprète bien cet accord, le Gouvernement chérifien aurait recouvré le droit de fixer son tarif douanier, à charge de maintenir un traitement d'égalité pour tous les étrangers. La question est cependant délicate. Il y a peut-être, en effet, à tenir compte des anciens traités qui, comme je le disais tout à l'heure, fixent un tarif douanier, à savoir le traité avec l'Espagne et celui avec la Grande-Bretagne. On peut se demander si ces traités ont été implicitement modifiés, abrogés sur le point qui nous occupe, par l'accord du 4 novembre 1911, qui substituait à l'établissement conventionnel du taux des douanes la liberté pour le Gouvernement chérifien de fixer le tarif douanier, mais avec la clause d'égalité.

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Bien entendu, sauf autorisation des Gouvernements étrangers, cette égalité économique interdit de faire à la France, ou aux produits français introduits au Maroc, un régime de faveur.

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Ce régime de la porte ouverte est un régime consacré par le traité du 4 novembre 1911 sans limitation de durée, tandis que, dans la Déclaration franco-anglaise de 1904, il était prévu comme devant avoir seulement une durée de trente ans, sauf prolongation ultérieure à l'expiration du délai.

Il me faudrait encore dire que la France au Maroc doit respecter la situation spéciale qui est faite à l'Espagne en vertu d'engagements pris en 1904, confirmés et précisés par le Traité franco-espagnol du 27 novembre 1912, qui délimite une double zone espagnole, au nord et au sud du Maroc, dans laquelle l'Espagne a des pouvoirs assez larges de participer à l'administration.

L'administration de cette zone est entre les mains d'un Khalifa, d'un lieutenant du Sultan, et cette administration, qui présente un caractère d'autonomie, s'exerce sous le contrôle et avec la collaboration de l'Espagne.

L'Espagne a, à l'intérieur de cette zone, un rôle analogue à celui de la France. On ne peut, cependant, pas dire qu'en droit la situation de l'Espagne soit identique à celle de la France dans le Maroc. Il ne faut pas oublier, en effet, que l'empire chérifien est un. L'indivisibilité du Maroc, l'intégrité des possessions du Sultan a été affirmée très nettement dans l'Acte d'Algésiras. Le Maroc est un et le Sultan est sous le seul protectorat de la France. La France participe aux relations extérieures du Maroc et les contrôle, tandis que le Khalifa dans la zone espagnole et le Commissaire espagnol dans cette zone, n'ont qu'un rôle d'ordre interne.

D'autre part, l'unité du Maroc se manifeste encore en ce que son unité douanière est maintenue malgré l'existence d'une zone espagnole. Évidemment, il y a là un mécanisme assez délicat à faire jouer. On n'a pas voulu que l'Espagne fût, en quelque sorte, un sous-locataire. Il est assez difficile de faire concorder l'existence de cette zone espagnole avec l'unité du Maroc, et la même difficulté apparaît si nous considérons la zone de Tanger.

Tanger et sa banlieue sont, en effet, soumis à un régime spécial qui, aujourd'hui, est déterminé par une convention du 18 décembre 1923 entre la France, l'Espagne et la Grande-Bretagne, et par un accord entre ces trois Puissances et l'Italie signé le 25 juillet 1928.

Régime passablement compliqué, lui aussi. Cette zone est administrée, par délégation de Sa Majesté chérifienne, par une Assemblée législative internationale composée de représentants des communautés étrangères et indigènes. A côté d'elle se trouvent un Mendoub qui représente le Sultan, un comité de contrôle composé des consuls et investi d'un pouvoir de veto, d'un administrateur chargé d'exécuter les décisions de l'Assemblée, enfin, un Tribunal mixte. Ce qui n'empêche que le Maroc, comme je l'ai dit, conserve, néanmoins, son unité.

* * * * * *

Tout cela se combine néanmoins, ne l'oubliez pas, avec l'unité de l'empire chérifien; il y a un seul Sultan, qui nomme son Khalifa dans la zone espagnole et son Mendoub dans la zone de Tanger, et le Résident général français est le seul intermédiaire entre le Sultan et les représentants des Puissances étrangères. Il y a une unité douanière et il y a des institutions communes pour l'ensemble du Maroc. Les obligations envers les Puissances étrangères résultant de traités anciens s'étendent à l'ensemble du Maroc. Voilà malgré tout des manifestations de l'unité du Maroc.

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Enclosure 2 in No. 37.

Extracts of Speech by M. de Saint-Quentin.

M. BASDEVANT a indiqué des principes et défini une méthode.

Il a, dès le début, posé en principe le respect des traités, des engagements que nous avions pris envers les Puissances, montrant que ces engagements étaient particulièrement nombreux dans la matière des protectorats. Il a, du reste, ajouté qu'il ne fallait pas considérer qu'un engagement international fût nécessairement gênant.

Je dois dire que cet optimisme nous est rendu plus facile par cette autre constatation qu'il ne s'agit pas d'engagements définitifs. Sur ce point, entendons-nous bien, il n'est pas question d'abrogation unilatérale. On ne conçoit pas que, par un fait de notre volonté, par arbitraire, nous manquions aux engagements que nous avons pris dans les traités. Mais nous pouvons négocier avec les Puissances. En effet, la plupart des limitations de la souveraineté, la plupart des servitudes internationales dont M. Basdevant vous a parlé ne sont pas une conséquence nécessaire du régime de protectorat en soi. Ce sont des garanties que les Puissances étrangères ont stipulées en leur faveur quand elles ont reconnu notre protectorat.

Nous ne devons pas désespérer de les convaincre de nous accorder une plus grande liberté d'action.

Si vous le voulez, je vais indiquer d'un mot certains domaines où notre activité négociatrice et diplomatique pourrait s'exercer.

* * * * * *

De même, au Maroc, M. Basdevant a mentionné la survivance du régime des capitulations au bénéfice de l'Angleterre et des États-Unis.

Il a rappelé que la France et l'Angleterre s'étaient reconnu réciproquement, en 1904, le droit de réformer l'organisation judiciaire, qui au Maroc, qui en Egypte, mais que l'Angleterre, n'ayant pas pu retirer en Egypte, par suite des circonstances, le bénéfice de cet arrangement, déclarait n'être pas tenue d'y donner suite au Maroc. Il n'est peut-être pas sans intérêt d'ajouter qu'au cours de la guerre, nous avions, nous, tenu notre engagement dans la mesure de nos moyens, en renonçant vis-à-vis de l'Angleterre à nous prévaloir des capitulations en Egypte. Ce n'est pas notre faute si les événements ont fait que la Grande-Bretagne n'a pu tirer parti de notre désistement.

Les capitulations américaines au Maroc nous réservent, dans la pratique, plus de difficultés que les capitulations anglaises, parce que les États-Unis, tout en admettant notre protectorat au Maroc, hésitent à tirer les conséquences de cette reconnaissance. Pour eux, bien souvent, le protectorat paraît se limiter au fait que nous sommes l'intermédiaire nécessaire pour les réclamations qu'ils adressent au Gouvernement chérifien.

Si maintenant nous abordons les questions économiques, nous pouvons souhaiter là encore que les négociations nous rendent un peu plus de liberté et nous permettent d'élargir le cadre qui nous enserre étroitement.

M. Basdevant a dit excellemment le jeu combiné des principes et des traités qui nous rendent la situation difficile. Il y a le principe d'égalité commerciale qui a surtout un caractère défensif. Les Puissances, qui étaient en compétition toujours plus vive, ont voulu éviter que l'une d'elles ne prît d'avantages exagérés. Plus tard, quand certaines d'entre elles ont renoncé en notre faveur à la prépondérance politique, elles ont eu naturellement soin de faire confirmer ces garanties. Du reste, la France et le Gouvernement chérifien sont très attachés au régime de l'égalité commerciale et ne songent nullement à y déroger. Ce principe n'est gênant que par la manière dont il se combine avec celui de la liberté commerciale trop strictement entendue. Les stipulations de liberté absolue se comprenaient tout naturellement quand on avait affaire au Gouvernement marocain, qui était un Gouvernement arriéré, arbitraire, dont les commerçants étrangers n'avaient pas toujours à se louer. Mais on est arrivé à lui donner une forme très précise, particulièrement rigoureuse, puisque l'on a fixé uniformément le plafond des droits à 10 plus 2½ pour cent *ad valorem*.

Comme l'indiquait M. Basdevant, ce n'est pas l'Acte d'Algésiras qui est le coupable. Ce sont les Traités anglo-marocain de 1856 et hispano-marocain de 1861, dont l'article 123 de l'Acte d'Algésiras n'a fait que consacrer les dispositions, de même, autre disposition, celle-là de l'Acte d'Algésiras, qui institue le prélèvement en nature des droits de douane. La douane, lorsqu'elle conteste la valeur déclarée par l'importateur, n'a pas le droit de réprimer la fraude ni d'imposer son estimation, mais elle peut prélever en nature 12½ pour cent, soit le huitième de la marchandise importée, par exemple 12 sacs et demi de blé sur cent, et vendre cette quantité à son bénéfice.

C'est un système très pratique pour les marchandises courantes, mais qui devient inapplicable lorsqu'il s'agit de pièces détachées ou d'articles chers, parce que le marché est très limité et que la douane risque d'être obligée de vendre à perte la marchandise qui lui reste pour compte au syndicat des importateurs dont elle a à se plaindre. Le régime commercial du Maroc a certainement besoin d'être modifié sur ce point.

Vous avez peut-être eu l'écho d'une campagne d'opinion marocaine qui paraît s'appuyer sur de bons arguments. On relève, notamment, la force de notre position vis-à-vis de la Puissance à laquelle nous sommes tout spécialement liés, c'est-à-dire l'Angleterre. Lors du Traité anglo-marocain de 1856, la limitation à 10 pour cent des droits de douane avait été consentie à l'Angleterre en considération des facilités exceptionnelles que le commerce marocain trouvait dans ce pays. En effet, l'Angleterre était alors la patrie du libre échange. Mais, depuis, le régime a changé : l'Angleterre est devenue protectionniste et, de ce fait, la plupart des produits marocains y sont soumis à des droits dépassant largement 12½ pour cent. La condition de réciprocité sur laquelle était fondé, en esprit certainement, sinon dans son texte, le Traité anglo-marocain de 1856, n'existe donc plus. Le Maroc demande avec juste raison l'abolition du régime dit de la porte ouverte, car cette porte est très largement ouverte aux produits du dehors : mais elle l'est sans condition de réciprocité, et comme les autres pays étrangers

sont libres de se protéger par des barrières douanières, elle ne permet pas au Maroc de sortir de chez lui.

En conclusion, du point de vue extérieur, l'optimisme est justifié à condition que nous pratiquions vis-à-vis de l'étranger, et dans la mesure où nous le pouvons —car il faut pouvoir offrir aux autres Puissances des compensations et bénéficier de circonstances générales favorables—une politique de mouvement.

[W 6008/29/28] No. 38.

Sir G. Clerk to Sir Samuel Hoare.—(*Received July* 10.)

(No. 967 E.)

Paris, July 8, 1935.

Sir,

I HAVE the honour to inform you that the *Information* of the 6th July reported an interview with the Resident-General of Morocco, who, like his colleagues in Algeria and Tunisia, has come to Paris to attend the meeting of the Mediterranean Conference.

2. Dealing first of all with the problem of the Moroccan budget, M. Ponsot said that great efforts had been made in the last few months to arrive at a genuine balance of revenue and expenditure. When he had engaged in the study of the budget proposals for the financial year 1936, he found himself in the presence of a total deficit of 160 million francs. He thought that this deficit had already been partially met by measures of retrenchment, which had been taken in conformity with the instructions given by the President of the Council.

3. These measures mainly consisted in—

(*a*) An administrative reform, which will make it possible for appropriations to be reduced by 10 per cent. This reform had already made good progress and the 1936 budget would benefit to a very considerable extent by the consequent economies.

(*b*) A reduction in the additional colonial pay from 50 to 35 per cent. This measure, which meant a reduction of 10 per cent. in the salaries of civil servants, had come into force on the 1st July of this year.

(*c*) The repression of all the abuses which exist in the Moroccan administration as they exist indeed in all other administrations.

4. Turning to the economic situation, M. Ponsot said that the crisis which prevailed in most countries was felt more severely in Morocco, because both the State and private individuals were heavily in debt. An investigation of the situation of Moroccan planters would show that most of them were obliged to devote almost the whole of the income derived from the sale of their crops to the payment of their debts. In order to remedy a situation which threatened to become inextricable, a scheme of adjustment had been proposed to them which freed them from part of their debts without resulting in any increase in the charges of the public finances.

5. The admission of Moroccan products to the market of the home country had been settled by a recent decree, which constituted as it were the economic statute of the Protectorate for the year 1935–36. The quotas previously allotted to Morocco had been maintained in their entirety. The Government of the Protectorate was very grateful to the French Government for having thus shown their determination to give commercial relations between France and Morocco that durable character which was indispensable for their development. Various measures had been taken before he left Rabat to settle the question of wheat exports to France. Assistance would also be given to wine-growers in the form of a rebate on alcohol in order to encourage distilling.

6. As regards the political situation, M. Ponsot asserted that at present it was satisfactory both from the French and from the native point of view. The very severe measures of retrenchment which had been imposed on the civil servants had been accepted by them in a spirit which did the greatest honour to the discipline which was the rule in the Moroccan administration. The natives were calm and the movements which had occurred elsewhere in the course of the last few months had found no echo in Morocco. This did not mean that the natives too were not suffering from the economic crisis. The short harvest had caused some anxiety in this respect and it was for this reason that the formation of a

reserve fund had been under consideration, which would allow effective support to be given to the districts that had suffered the most.

7. In conclusion, M. Ponsot said that he was personally very glad of the meeting of the Mediterranean and North African High Committee. It was an organisation which was not only to serve for supplying information but also could take decisions. This was an excellent measure, because the time for conferences had gone by and action should be taken quickly. The agenda proposed by the Government of the Protectorate were in the hands of the President of the Council. They included some questions which interested all three of the North African territories, such as the problem of budgetary retrenchment, the question of customs relations between Morocco and Algeria, the distribution of imperial charges and the improvement of the quota system. He was convinced that under the high authority of M. Laval the committee would realise a useful and fruitful work, the consequences of which would be considerable for the North African empire.

8. I have sent a copy of this despatch to the Department of Overseas Trade.

I have, &c.
GEORGE R. CLERK.

[**W 6906/29/28**] No. 39.

Consul-General Bullard to Sir Samuel Hoare.—(*Received August* 6.)

(No. 125 E.)

Sir, *Rabat, July* 29, 1935.

I HAVE the honour to state that I have taken advantage of the latitude allowed by paragraph 7 of Foreign Office circular of the 1st August, 1934, regarding the supply of economic and financial information, and have not hitherto furnished periodical reports on the French Zone of Morocco, though my despatch No. 37 E, dated the 4th March, did contain a general report in the form of a summary of M. Ponsot's speech at the French Imperial Conference. I now transmit herewith a short report in which the obvious fact that Morocco has come to the end of an epoch is considered, and reasons are put forward for believing that the French will continue their efforts to break the bonds imposed on Morocco by the treaties which prevent them from altering the customs dues.

2. Copies of this despatch are being sent to the Department of Overseas Trade, to His Majesty's Ambassador in Paris, and to His Majesty's consul-general at Tangier.

I have, &c.
R. W. BULLARD.

Enclosure in No. 39.

Report respecting Economic and Financial Conditions in Morocco.

THERE is a striking and melancholy contrast between the pessimism which is general in Morocco to-day and the spirit in which French writers and administrators were speaking and writing about the country ten years ago and even more recently. In November 1925 M. Steeg, who was at the time Resident-General, could say: "Il suffit de jeter un regard d'ensemble sur les aspects économiques de ce magnifique pays, pour en envisager l'avenir avec une inépuisable optimisme." In 1935 the country cannot meet either its public or its private debts, and is looking to France for help. It may be said that a similar change from hope to despair can be found in the United States and many other countries, and that the world crisis is the common cause of the change. Morocco has certainly suffered heavily from the world crisis, but there are particular causes at work also, and more than a general improvement in world trade will be required to bring about a serious improvement in the economic and financial situation.

2. The dangerous situation to which the country has been brought was described by M. Ponsot in a speech which he made at the French Imperial

Conference in February 1935. It is not necessary to repeat here all the figures he quoted, which will be found in Rabat despatch No. 37 E, dated the 4th March, but the estimated expenditure for 1935 may be repeated as illustrating the situation in a simple form:—

1935 *Budget.*

	Million Fr.	Percentages.
Debt charges	240	= 28
Cost of administration	450	= 50
Other expenditure	200	= 22
	890	

The expenditure described as "other expenditure" cannot be reduced, and the savings which it is hoped to effect in the cost of administration will hardly serve to set off the unavoidable increase in the debt charges, so that the figures for next year are expected to read more or less like this:—

1936 *Budget.*

	Million Fr.	Percentages.
Debt charges	300	= 33
Cost of administration	400	= 45
Other expenditure	200	= 22
	900	

Meanwhile the revenue for 1934 shows a deficit, and it is expected that the revenue for 1935 will show a much larger deficit, the increase being mainly due to the drought, which has reduced the yield of grain crops to something like one-half of an average harvest. If 45 per cent. still seems a high proportion of the total expenditure, it should be remembered that it would bear a still higher proportion to the total if the debt charges were not also enormous. To see this startling figure in its true perspective it is necessary to realise that when all the economies in the cost of administration that are considered possible have been effected, the State will still be spending twice as much on administering the country as on the things to be administered.

3. Within the space of a few years this primitive country with a native population of perhaps 5 millions and a small European population of under 200,000, has been equipped—at its own expense, so far—with a railway system, with a good system of excellent roads which to some extent competes with the railways, with expensive water and irrigation and electrification schemes, and with several costly ports. To provide this equipment the State has had to borrow some 5,000 million francs, apart from the private investments estimated at twice that sum. There is an Administration which, as we have already seen, costs as much as all the other items in the budget put together. The French Protectorate is not to be compared in organisation with a native State in India, for although there is a Sultan with native officials and native courts, there is also a French Administration, employing some 18,000 French officials, which is costly and often disproportionately elaborate. A nucleus of French courts is essential, but the judicial personnel is too numerous, the court buildings are often unnecessarily magnificent, and the cost, 20 million a year, which does not include the capital cost of buildings, is heavy. And there are many charges less easy to justify. The country has to support at headquarters, at an annual cost of 2 million francs, a department whose sole duty is to supervise the municipalities; and there are only sixteen municipalities, and of those only five can be considered important. The municipalities themselves are not a charge on the State, except the two or three whose budgets are subsidised by the State for some special reason (*e.g.*, Rabat, which receives a subsidy as a set-off to the extra expense thrown upon it by the presence of the Residency within the municipal area); but they involve heavy local taxation to support their full-time French mayors, assistant mayors, technical staff, overseers and clerks. Again, the State has to contribute towards the upkeep of the Roman Catholic Church in the French Zone, and even to

subsidise the small Protestant community, and it spends far more on educating the children of its 200,000 Europeans than on the children of the 5 million natives. It has incurred capital expenditure amounting to 276 million, and guaranteed loans amounting to 225 million to establish on its soil two or three thousand European—mainly French—colonists. But perhaps the spirit in which the country has been administered is best illustrated by the budget item of 2½ million francs allocated to certain French citizens solely on the ground that they have large families.

4. While the boom was on, these charges did not seem unduly burdensome, but the revenue which the State has raised, or attempted to raise, has remained about the same for some years, while the capacity to pay has been falling off. The peak of prosperity, as shown by wages and prices, was about 1929–30. Since then wages have fallen by perhaps from one-third to one-half in the various trades. Agricultural land which in 1930 was worth 3,000 fr. a hectare does not fetch more than 1,000 fr. to 1,500 fr. now. There was a time, in about 1929, when, owing to the rapid development of Casablanca, to the growth of the phosphate industry, and to the execution of a large programme of public works, there was such a shortage of labour that the Protectorate authorities tried to prevent the emigration of natives, and substituted for the sealed tender system in public contracts a system by which preference was given to firms well equipped with labour-saving machinery. Yet by 1931 there was already unemployment, and it has increased since. Two dahirs restricting immigration have been issued, and the 1935 budget provides 1½ million for the relief of unemployment. The figures of imports and exports given in paragraph 6 below will help to illustrate the decline in prosperity.

5. The present crisis in Morocco is to some extent part of the world crisis; her wealth consists mainly in agricultural products, and it is precisely these articles which have fallen most in value. But there are local causes at work, among them these :—

(1) *Overtaxation* to pay for an administration and an economic equipment which have been developed without reference to the country's needs and capacity.

(2) *Overproduction in agriculture*, due largely, though not entirely, to the policy of subsidising the colonists. Thus the supply of fruit and early vegetables has outrun the demand, and Morocco is disputing with Algeria for a share in the French market for tomatoes, &c. But the overproduction is most noteworthy in wine-growing, since here it should have been easy to ascertain years ago what is well known now, that the local consumption is about 450,000 hectolitres with no prospect of any considerable increase, and that there is no easy foreign market for any surplus. This fact was either not ascertained or was ignored, and vines were planted with such rapidity that there was a surplus of about 150,000 hectolitres of wine in 1934; and, although the planting of vines has been prohibited, it is calculated that the surplus will have risen to 450,000 hectolitres by 1938.

(3) *The falling off of the demand for Moroccan wheat in France.* Ten years ago the French spoke of Morocco as the granary of France, and the growing of wheat suitable for the French market was encouraged by the " colon " policy, and by granting to Morocco, among other quotas, an annual duty-free quota of 1,650,000 quintals of soft wheat. But French policy also encouraged the extension of wheat-growing in France, and that, together with three successive good harvests, not only made France independent of foreign wheat, but left her with a surplus which is now being exported with the aid of a subsidy. At the end of 1934 Morocco found remaining on her hands 565,000 quintals of soft wheat out of the quantity which she had the theoretical right to export to France during that year, and the recent extension of the French subsidy to such of this wheat as can be exported to any country other than France is obviously only a temporary expedient.

(4) *The linking of the Moroccan currency to the French francs* and therefore to gold. This makes it exceedingly difficult for Morocco to compete in foreign markets.

6. M. Ponsot did not hesitate to say, at the Imperial Conference, that railways and the settlement of colonists in the French Zone are mainly a French interest, and to suggest that France should relieve the Shereefian Treasury of part of this burden, and in private conversation he has said that Morocco cannot pay her debts in full. The demand has probably come as a surprise to France. Morocco has been financed under the guarantee of France and mainly by French capital, and has been enjoying a protected market in France for many of her products, and at the same time the population have been free, under the international agreements which limit the import duties, to buy in the cheapest market without reference to French or Moroccan interests, and the French may well have thought that Morocco already enjoyed all the privileges she needed. Moreover, the Director-General of Finance, who retired a year ago after many years of service, always assured his chiefs that Morocco could easily bear the burdens that were being put upon her. And now comes a demand for financial assistance for Morocco at a moment when the French Government are having to make large and unpopular economies to meet a huge deficit in their own budget. The demand will necessarily be most unwelcome, and the French taxpayer may be expected to look for some way of meeting it otherwise than in cash. If he looks for possible economies he will find that to make serious economies in the main item, viz., cost of administration, would involve changes of great political significance such as are not likely to be accepted by the French Government. Moreover, the holders of loans would oppose any relaxation in French control as likely to endanger their interest and their capital. If the French then turn to trade as an obvious source of profit they will find that, while they take more than one-half of Moroccan exports, their exports to Morocco are steadily diminishing.

	Exports from France and Algeria.	Imports to France and Algeria.
	(Millions of francs.)	
1926	1,110 (out of 1,692)	328 (out of 712)
1927	1,129 (out of 1,798)	438 (out of 851)
1928	1,184 (out of 1,999)	568 (out of 1,275)
1929	1,419 (out of 2,347)	540 (out of 1,233)
1930	1,318 (out of 2,208)	279 (out of 719)
1931	1,165 (out of 2,075)	483 (out of 761)
1932	908 (out of 1,785)	483 (out of 684)
1933	735 (out of 1,532)	345 (out of 600)
1934	576 (out of 1,319)	400 (out of 667)

7. Finding the French export trade with Morocco decreasing and the ordinary method of diverting trade, viz., by tariffs, barred out by international agreement, the French may be expected to examine the possibility of helping France directly, by favouring French trade, or indirectly, by favouring Moroccan agriculture and trade and industry, within the boundaries of the international agreements. It will be found that a good deal has been done in this direction already by various means. My predecessor mentioned some of these measures in his despatches No. 62 of the 10th May, 1934, and No. 75 of the 21st June, 1934, but the following list has a wider scope and is therefore considerably longer. This protection has taken various forms :—

(1) *Exemptions from Duty and Payment of Drawback.*—Agricultural machinery and seed grain are exempt from the basic import duty of 10 per cent. When preserved fish, meat and vegetables are exported, the oil used in preserving, and the packing material, benefit by a drawback covering import and consumption duties. Sugar used in the manufacture of beer is exempted from consumption duty. Petrol, petroleum and oil used by the members of the Coopérative agricole des Carburants benefit by a subsidy equal to import and consumption duties with interest at 5 per cent.

(2) *Protection by means of Consumption Duties.*—This has not gone very far at present. For instance, local sugar and candles pay consumption duty, not only the imported article. But local meat is protected to a small extent by a consumption duty on imported frozen meat, and there is a consumption duty on imported vegetable oils, such as soya-bean and ground-nut oils, and none on the local olive oil with which

they compete. Local interests are pressing for an increase in the consumption duty on imported vegetable oils, and the Energie électrique, the important company which supplies electric light and power, wishes the consumption duty on fuel oil to be raised to such a figure that it will no longer be profitable for factories to install Diesel engines and make their own electric current.

(3) *Protection by means of Sanitary Regulations or Regulations ostensibly designed to prevent Adulteration.*—Such regulations may be innocent enough in intention, but they often tend to favour French trade in practice. Thus the Bee Disease decree is one with which the French producer can comply easily, but it does not suit producers of honey in other countries so well. Again, when a dairy farmer in Morocco wished to import Irish dairy cattle the authorities refused permission on the ground that whereas in Paris there was full information about the sanitary condition of French herds, the information about that of Irish herds was incomplete, and the farmer had to buy French cattle at a higher price. A decree prohibiting the sale of margarine, except in 250–500-gramme blocks, killed the Danish trade in margarine, and a regulation on the marking of soap favoured French soap at the expense of British.

(4) *Other Devices.*—It is suggested that the French and Spanish representatives, who form a majority on the Customs Values Commission at Tangier, are using their position to favour French and Spanish goods. A series of measures which His Majesty's Government are resisting have debarred from the insurance of motor vehicles used for public road transport, all British insurance companies which have no branch office in France. The railways, which were built largely out of State loans, are gradually getting a controlling interest in competing road transport and suppressing superfluous vehicles; this will mean that orders for new vehicles will go to France instead of going, as in many cases they would have done, to America. The Protectorate authorities have even been able to effect complete prohibition in a few cases, on the ground that an essential interest was at stake. The grant of wheat and flour quotas to Morocco by France was followed by the prohibition of the importation of wheat and flour into Morocco. Japanese competition in native slippers, which is an important industry at Fez, was met by the prohibition of the importation of such articles. The wine interests are now asking that the importation of wine in the cask be prohibited.

8. Protection under one or other of these forms could perhaps be extended, but not so as to make a serious difference to the economic situation in Morocco, and the French will inevitably be driven to examine the customs problem again. The quota scheme put forward in 1934, which would have enabled French (and British) trade to retain for a period a fixed proportion of the imports into Morocco, is in suspense, if not dead, owing to international difficulties and also to local hostility to a scheme, which, it was argued, would raise the cost of living without protecting local interests. What local opinion demands is an arrangement by which countries which export largely to Morocco may be compelled to buy Moroccan exports up to a reasonable proportion. The great offenders, according to this balance-of-trade argument, are Japan and the United States. The United Kingdom has also an unfavourable balance of trade with Morocco, from the Moroccan point of view, though the increase of Japanese trade at our expense seems likely to remedy this sooner or later. Whether the French will be able to win liberty of action and to regulate the trade of Morocco in such a way as to favour Moroccan and French interests cannot be foreseen, but they can be counted upon to make the attempt.

Rabat, July 25, 1935.

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(14630)

TREATY RIGHTS RESPECTING CUSTOMS AND TAXATION IN MOROCCO.

I.—*Review of Treaty Provisions.*

THE Portuguese were the first Europeans to obtain a foothold in Morocco, Ceuta being taken by them in 1415. The disastrous expedition of King Sebastian in 1758 brought about the downfall of Portuguese power in Morocco, and Mazagan, their last possession, was evacuated in 1759. At this period Spain had come into the possession of such towns as Ceuta, Melilla and Alhucemas, which, together with certain islets off the Mediterranean coast, formed the so-called "presidios," and were later extended so as to form the present Spanish Zone in Morocco.

2. Between 1760 and 1770 several treaties of peace and friendship were concluded with Morocco by Great Britain (1760 and 1765), Sweden (1763), Denmark, France and Spain (1767).

3. The Danish treaty provides (article 5) that "les négociants danois peuvent en toute assurance venir dans l'Empire de Maroc, voyager, vendre et acheter dans toutes les provinces . . . . sans être obligés de payer aucun droit d'entrée et sortie plus sur ce que paient les autres négociants des nations chrétiennes; . . . ."

4. The French treaty of 1767 contains in article 2 provision for freedom of commerce: "Les sujets respectifs des deux Empires pourront voyager, trafiquer et naviguer en toute assurance . . . . par terre et par mer . . . . sans craindre d'être molestés ni empêchés . . . ." Article 5 states that "les marchands français pourront vendre et acheter dans toute l'étendue de l'Empire du Maroc, comme ceux des autres nations, sans payer aucun droit de plus," together with most-favoured-nation treatment as to import and export duties. Article 11 provides for the establishment of consuls, and also "ceux qui seront au service des consuls, secrétaire, interprète, courtier ou autres, tant au service des consuls que des marchands, ne seront empêchés dans leurs fonctions et ceux du pays seront libres de toute imposition et charge personnelle." Articles 12 and 13 regulate consular jurisdiction in civil and penal matters.

5. The Spanish treaty of 1767, together with the later treaties of 1780 and 1799, were abrogated by the treaty of 1861, but the treaty of 1799 is notable in that for the first time the import duty was fixed at a maximum of 10 per cent. *ad valorem*, while specific duties are laid down for articles exported.

6. In 1825 a treaty was concluded between Sardinia and Morocco. Article 2 provided for freedom of commerce by sea and land and for most-favoured-nation treatment. Articles 18 and 22 regulated consular jurisdiction.

7. In 1836 the United States concluded a treaty. Article 14 provides that commerce with the United States shall be on the same footing as is the commerce with Spain or as that with the most-favoured-nation for the time being, and their citizens "shall . . . . have full liberty to pass and repass our country and seaports whenever they please, without interruption." Article 20 also provides that "whatever indulgence, in trade or otherwise, shall be granted to any of the Christian Powers, the citizens of the United States shall be equally entitled to them." Other articles regulate United States consular jurisdiction.

8. The establishment of the French in Algeria in 1830 was an important development in Morocco's external relations. The revolt of the Algerian chieftain Abd-el-Kader led to Franco-Moroccan hostilities (1843–44), which were terminated by a convention signed at Tangier the 20th September, 1844. This convention contemplated the conclusion of conventions to delimit the boundaries and to regulate the political and commercial relations of the two countries.

Meanwhile, the old treaties were to be scrupulously respected and observed and France was to enjoy in all things treatment of the most favoured nation. The Treaty of Lalla Marnia of the 18th March, 1845, defined the boundaries. Commercial relations, however, continued to be based on the treaty of 1767 until the commercial agreement of 1892.

9. Two years after the Treaty of Lalla Marnia the Spanish possessions in North Africa were consolidated into a Captain-Generalship. A chronic state of hostilities with the Riff tribes ensued, which ultimately culminated in 1859 in a war between Spain and Morocco. Peace was re-established by the Treaty of Tetuan of the 26th April, 1860, and the Treaty of Madrid of the 30th October, 1861, by which Spain obtained certain territorial adjustments and the promise of a commercial treaty.

10. During this period Great Britain enjoyed a predominating influence in Morocco and the terms of the treaties of Lalla Marnia and Tetuan were largely determined by British pressure. In 1856 Great Britain concluded a general treaty and a commercial convention with Morocco, which laid down a new basis for the economic status of foreigners in Morocco.

11. *General Treaty of* 1856.—Article 3, corresponding to article 11 of the French treaty of 1767, provides for the Chargé d'Affaires and the consuls or vice-consuls being at liberty to choose interpreters and servants, either from the Mussulmans or others, who shall not be compelled to pay any capitation tax, forced contribution or other charge.

12. Article 4 sets out the personal privileges to be enjoyed by British subjects in Morocco, and provides that "they shall not be obliged to pay, under any pretence whatever, any taxes or impositions."

13. By certain articles (mainly articles 8, 9, 14, 16, 18) British subjects, as defendants, are only amenable to the British consular courts and are immune from the local jurisdiction. Jurisdiction is exercised by British consular courts and by the Supreme Court of Gibraltar under the Morocco Orders in Council, 1889–1929, Consolidated. These extra-territorial rights possessed by the United Kingdom in Morocco have never been surrendered. Consequently, as British subjects are exempt from taxation by article 4, no new tax can legally be levied on British subjects unless His Majesty's Government have agreed to the tax and a King's Regulation, under article 143 of the Morocco Orders in Council, 1889–1929, Consolidated, has been issued making it applicable to British subjects. Payment of the tax can only be enforced by proceedings in a British consular court.

14. Article 20 extends the privileges granted by the treaty to British subjects and "those who are under her (*i.e.*, Her Majesty Queen Victoria) government or *protection*," and any subsequent privileges granted to any other Power are to be extended to all British subjects in every respect, as to the subjects of such other Power.

15. The treaty contains no provisions for termination.

16. The *Commercial Convention* of 1856 includes the following privileges:—

(*a*) British subjects are to enjoy in Morocco the same protection and privileges as are or may be enjoyed by the nationals of the most favoured nation.

(*b*) Further, they have the right to buy or sell in Morocco all articles except those specified by name as being subject to monopolies or prohibitions, viz.:—

(i) The following imported goods: tobacco pipes for smoking, opium, sulphur, powder, saltpetre, lead, arms of all kinds and ammunition of war; and

(ii) The following goods of domestic production: leeches, bark, tobacco and other herbs used for smoking (article (1) and (2)).

(*c*) As regards goods purchased for export and exported by British subjects—

(i) Except the goods referred to in (*b*) (ii) above, British subjects can export Moroccan produce on any vessels on terms as favourable as the subjects of any foreign country or native subject (article 6 (2)).

(ii) No tax or charge is to be levied except one export duty and no permit is to be required, and the goods may be conveyed to port and exported free of hindrance unless the goods belong to a class whose export from Morocco has been prohibited generally for some temporary purpose (see (iii) below) (article 3 and article 9).

(iii) The export of grain or other articles from Morocco may be prohibited, but only if applied to subjects of every other nation. There are provisions under which British subjects must be allowed to dispose of stocks in their possession (article 5, and see also 7, paragraph 2).

(iv) The export duty is limited according to a tariff laid down in the treaty and British subjects have most-favoured-nation rights (article 7).

(*d*) As regards imports into Morocco—

(i) There is to be no prohibition of imports by British subjects except in the case of goods referred to in (*b*) (i) above (article 6).

(ii) No import duty higher than 10 per cent. *ad valorem* is to be charged on goods imported by British subjects (article 7); and when once this duty has been paid, no further duty is to be paid on these goods even if they are conveyed by sea from one port to another in Morocco and embarked and disembarked more than once (article 8).

(iii) The customs duties paid by British subjects shall not be higher than those paid on similar goods imported by the subjects of any foreign Power or native subjects (article 6).

(*e*) As regards British vessels—

The anchorage, tonnage, import or other duties levied on British vessels or on goods imported or exported in them shall not be greater than is levied on national vessels or goods carried by them, and, in any case, not exceed certain specified rates (article 10).

17. By article 14 the convention is subject to revision at the demand of either party, "but until such revision shall have been accomplished by common consent and a new convention shall have been concluded and ratified, the present convention shall continue and remain in full force and effect."

18. In 1858 a declaration was signed regulating commercial relations between the Netherlands and Morocco by the grant of most-favoured-nation treatment.

19. On the 20th November, 1861, Spain concluded the commercial treaty as provided for in the Treaty of Madrid of the 30th October, 1861. It is based on the United Kingdom–Morocco General Treaty and Commercial Convention of 1856, and thus provides for freedom of commerce (article 44), for exemption of Spanish subjects from taxes or impositions (article 5), for limitation of import duties to 10 per cent. *ad valorem*, and for specific duties on exports identical with those in the United Kingdom commercial convention (article 50). Spanish subjects are accorded most-favoured-nation treatment as regards persons and commerce (articles 15, 44, 49, 50). The rights of Spanish consular jurisdiction are laid down in articles 10, 11 and 16, the provisions being modelled on those in the United Kingdom General Treaty of 1856. Article 3 contains the same provisions as article 3 of the United Kingdom General Treaty of 1856 and article 11 of the French Treaty of 1767 as to interpreters and servants of the Chargé d'Affaires and consuls being exempt from personal taxes. The treaty abrogates previous commercial treaty instruments between Spain and Morocco.

20. In 1862 Belgium concluded a treaty of friendship and commerce with Morocco, by which the commercial relations of the two countries were based on most-favoured-nation treatment.

21. In 1863 France concluded an agreement with Morocco ("Règlement" Béclard) dealing with the right of protection. It has already been stated that article 11 of the French Treaty of 1767, and articles 3 of the United Kingdom

General Treaty of 1856 and of the Spanish Treaty of 1861 dealt with this matter to a limited extent. The " règlement " of 1863 defined the categories of natives in Morocco that were to enjoy the protection of the representatives of France (a capitulatory Power), with the result that they became subject to capitulatory rights. The " règlement " became international by the accession of other Powers: Belgium, Sardinia, Sweden, United Kingdom, United States. This system of protection gave rise to difficulties and abuses, and it was with a view to remedy the unsatisfactory position that a conference was held in Madrid in 1880 which drew up the Madrid Convention of that year.

22. The convention confirmed the " règlement " of 1863 except as modified by the new convention. The contracting Powers are the United Kingdom, Austria, Belgium, Denmark, France, Germany, Hungary, Italy, Morocco, Netherlands, Norway, Portugal, Spain, Sweden and United States of America, *i.e.*, all the Powers possessing rights of consular jurisdiction in Morocco. Apart from the conditions laid down as to the manner in which protection may be granted, the following provisions should be mentioned. According to article 3, persons protected as employees of consuls, vice-consuls or consular agents " shall not be liable to any dues, imposts or taxes whatsoever, excepting as stipulated in articles 12 and 13." Article 11 gave foreigners the right to hold property in Morocco, purchase to be effected with the prior consent of the Shereefian Government. Article 12 provided that foreigners and protected persons who are proprietors or renters of cultivated land, as well as brokers in agricultural matters shall pay an agrarian tax. The tax was to be fixed by a special regulation between the representatives of the Powers and the Moorish Minister for Foreign Affairs. Article 13 provided that foreigners, protected persons and brokers who own beasts of burden shall pay the gate tax, which was also to be fixed by special regulation as in the case of the agrarian tax. The gate tax was not to be augmented without a fresh agreement with the representatives of the Powers.

23. The agricultural tax remained inoperative as regards foreigners and protected persons until 1913. The gate tax, which was covered by the international regulations of 1881 and 1896 and a dahir of 1917, together with subsequent amending dahirs, will be dealt with in a later stage of this memorandum. The Madrid convention also provides (article 17) for the right of most-favoured-nation treatment in Morocco for all the contracting Powers. It seems to proceed on the basis that the rights acquired by the capitulatory Powers independently by their bilateral treaties are extended to all the others and, so to speak, codified, and not thenceforth to be modified save by the consent of all the Powers.

24. The Treaty of Commerce between Germany and Morocco of 1890 was abrogated by the Treaty of Versailles (similarly, the treaty between Austria and Morocco of 1830 was abrogated by the Treaty of Saint-Germain).

25. In 1892 a commercial agreement, as contemplated by the Tangier Treaty of 1844, was concluded between France and Morocco in the form of an exchange of letters between the French Minister at Tangier and the Moroccan Minister for Foreign Affairs. This agreement reduced to 5 per cent. the import duty, and also reduced the export duty, on certain specified articles. The concessions embodied in the agreement extend to other countries by virtue of most-favoured-nation treatment.

26. The importance attached by His Majesty's Government to their rights under the General Treaty and Commercial Convention of 1856, and under the Madrid Convention of 1880, is shown by an incident that occurred in 1893. In that year the French Legation at Tangier proposed the imposition of certain taxes on exports designed to raise a revenue for the Tangier Sanitary Commission, and contended that the Moorish Government would have the right to levy them on foreigners without the consent of the Powers. His Majesty's Government maintained that this contention was inadmissible. By article 4 of the General Treaty of 1856 British subjects shall not, under any pretence whatever, be obliged to pay any taxes or impositions, and the proposed impost, though made to take the form of an export duty, was in reality a municipal tax. Moreover, the imposition of a tax which would fall mainly upon British subjects would be at variance with the provision of most-favoured-nation treatment for British subjects in the commercial convention of 1856 and the Madrid Convention of 1880. Consequently, His Majesty's Minister at Tangier was

Confl. 6448, No. 86.

instructed to state that His Majesty's Government would not consent to any tax unless it was equitably levied and did not press unduly upon British subjects.

27. On the 8th April, 1904, was signed the important declaration between the United Kingdom and France regarding Egypt and Morocco. Article 2 runs:—

" The Government of the French Republic declare that they have no intention of altering the political status of Morocco.

" His Britannic Majesty's Government, for their part, recognise that it appertains to France, more particularly as a Power whose dominions are conterminous for a great distance with those of Morocco, to preserve order in that country, and to provide assistance for the purpose of all administrative, economic, financial and military reforms which it may require.

" They declare that they will not obstruct the action taken by France for this purpose, provided that such action shall leave intact the rights which Great Britain, in virtue of treaties, conventions and usage, enjoys in Morocco, including the right of coasting trade between the ports of Morocco, enjoyed by British vessels since 1901."

Article 4 runs:—

" The two Governments, being equally attached to the principle of commercial liberty both in Egypt and Morocco, declare that they will not in those countries countenance any inequality, either in the imposition of customs duties or other taxes, or of railway transport charges."

" This mutual engagement shall be binding for a period of thirty years. Unless this stipulation is expressly denounced at least one year in advance. the period shall be extended for five years at a time."

There has been no notice of denunciation.

Article 7 runs:—

" In order to secure the free passage of the Straits of Gibraltar, the two Governments agree not to permit the erection of any fortifications or strategic works on that portion of the coast of Morocco comprised between, but not including, Melilla and the heights which command the right bank of the River Sebou.

" This condition does not, however, apply to the places at present in the occupation of Spain on the Moorish coast of the Mediterranean."

By article 8—

The two Governments, inspired by their feeling of sincere friendship for Spain, take into special consideration the interests which that country derives from her geographical position and from her territorial possessions on the Moorish coast of the Mediterranean. In regard to these interests the French Government will come to an understanding with the Spanish Government.

The agreement which may be come to on the subject between France and Spain shall be communicated to His Britannic Majesty's Government.

28. There were also certain secret articles attached to the declaration, of which the following may be quoted:—

Article 2.—His Britannic Majesty's Government have no present intention of proposing to the Powers any changes in the system of the Capitulations, or in the judicial organisation of Egypt.

In the event of their considering it desirable to introduce in Egypt reforms tending to assimilate the Egyptian legislative system to that in force in other civilised countries, the Government of the French Republic will not refuse to entertain any such proposals, on the understanding that His Britannic Majesty's Government will agree to entertain the suggestions that the Government of the French Republic may have to make to them with a view of introducing similar reforms in Morocco.

Article 3.—The two Governments agree that a certain extent of Moorish territory adjacent to Melilla, Ceuta, and other *présides* should, whenever the Sultan ceases to exercise authority over it, come within the sphere of influence of Spain, and that the administration of the coast of Melilla as far as, but

not including, the heights on the right bank of the Sebou shall be entrusted to Spain.

Nevertheless, Spain would previously have to give her formal assent to the provisions of articles 4 and 7 of the Declaration of to-day's date, and undertake to carry them out.

She would also have to undertake not to alienate the whole, or a part, of the territories placed under her authority or in her sphere of influence.

29. Spain gave her accession to the declaration, and on the 3rd October, 1904, signed with France another declaration in which both Powers expressed their firm attachment to the integrity of the Moroccan Empire under the sovereignty of the Sultan. A secret convention of the same date between France and Spain fixed (articles 2, 4 and 5) the boundaries of the sphere of influence which fell to Spain by virtue of her possessions on the Moorish coast of the Mediterranean. In that zone the same right of action was reserved to Spain as was reserved to France by the second paragraph of article 2 of the United Kingdom–France Declaration of 1904, which amounted to the right of preserving order and of providing assistance for the purpose of all administrative, economic, financial and military reforms that might be required. Spain agreed not to exercise this right of action during the first period—not to exceed fifteen years from the date of signature—that the convention was to be in force. France agreed that during the same period she would inform the Spanish Government previously of the advice she might tender to the Sultan of Morocco so far as the Spanish sphere of influence was concerned. After the expiry of the first period and as long as the *status quo* was maintained, France would not exercise her right of action with the Moroccan Government in respect of the Spanish sphere except in agreement with the Spanish Government. Article 3 of the secret convention laid down that in the event of the continuance of the political status of Morocco and of the Shereefian Government becoming impossible, or if for any cause the *status quo* could no longer be maintained, Spain might freely exercise her right of action in the territory which henceforward should constitute her sphere of influence. By article 9, " la ville de Tanger gardera le caractère spécial que lui donne la présence du corps diplomatique et ses institutions municipales et sanitaires." By article 11, " les Espagnols continueront de jouir au Maroc des droits que leur assurent les traités, conventions et usages en vigueur . . . . " By article 12, " les Français jouiront dans les régions désignées aux articles 2, 4 et 5, de la présente convention, des mêmes droits qui sont, par l'article précédent, reconnus aux Espagnols dans le reste du Maroc." By article 15, in the event of the denunciation of the United Kingdom–France Declaration of 1904, the French and Spanish Governments " se concerteront pour l'établissement d'un régime économique qui répond particulièrement à leurs intérêts réciproques."

30. A secret agreement between France and Spain of the 1st September, 1905, for the carrying out of the secret convention of the 3rd October, 1904, provided [III (2)] that " Les Espagnols et les Français . . . . jouiront pour toujours au Maroc, dans l'exercice de leurs professions et la réalisation de leurs opérations commerciales et industrielles en cours ou projetées, des mêmes droits et privilèges, de manière que l'état juridique des sujets et ressortissants des deux nations soit constamment le même. Les marchandises des deux pays jouiront pour leur introduction, circulation et vente dans l'Empire, d'un traitement identique. Les deux hautes parties contractantes emploieront tous les moyens pacifiques en leur pouvoir et se prêteront mutuellement leur concours auprès du Sultan et du Makhzen en vue d'empêcher que, présentement comme dans l'avenir, cette clause ne vienne à être modifiée par l'autorité marocaine par suite de l'établissement de règles différentes en ce qui concerne l'état juridique des personnes et des conditions auxquelles seront soumises les marchandises des deux nations."

31. The Anglo-French and Franco-Spanish agreements of 1904 caused Germany to claim an interest in the Moroccan question, and the visit of the German Emperor to Tangier in 1905 brought about the first Moroccan crisis. This crisis led to the Franco-German agreements of the 8th July and the 28th September, 1905, which traced the programme of a future conference, the intention of which was that it should internationalise the Moroccan question. The conference took place at Algeciras in 1906, and an Act was drawn up, signed

by Austria, Belgium, France, Germany, Hungary, Italy, Morocco, Netherlands, Portugal, Russia, Spain, Sweden, United Kingdom and United States of America. The United States signature (and ratification) was made with a reservation declaring that in subscribing to the regulations and declarations of the Act and in consenting to their application to United States citizens and interests in Morocco the United States Government assumed no obligation or responsibility as to the measures which may be necessary for their enforcement.

32. The preamble embodies the principle of economic liberty and equality (which is referred to again in article 105): the signatory Powers " inspired by the interest which attaches to the reign of order . . . . in Morocco, and having recognised that this desirable end could only be attained by means of the introduction of reforms based upon the threefold principle of . . . . economic liberty without any inequality have resolved " &c.

33. The reforms provided for by the Act relate to various matters which are dealt with in six chapters.

34. Chapter I relates to the organisation of the police.

35. Chapter II deals with the suppression of the illicit traffic in arms. Article 13 provides that " throughout the whole extent of the Shereefian Empire the importation of, and trade in, warlike arms . . . . and all materials destined exclusively for the manufacture of ammunition are prohibited," except in cases specified in articles 14 and 15. (This is of interest as showing that Morocco could not prohibit imports save by consent of the Powers.) Article 18 provided for the regulation of the trade in non-rifled sporting or high-priced arms of foreign make by a Shereefian order *made in conformity with the advice of the Diplomatic Body at Tangier*, whose decision shall be declared by a majority of votes. Article 24 provides that where a vessel anchored in a port open to commerce is suspected of carrying arms or other prohibited goods for importation into Morocco, the *Shereefian customs officers shall so inform the competent consular authority*, in order that the latter may, with the assistance of the Shereefian customs officer, proceed to such enquiries, inspection or search as may be necessary. By article 15, in cases of importation of prohibited goods by sea at a port not open to commerce, the Moorish customs authorities may take the vessel to the nearest port, *to be there handed over to the consular authority*, who shall have the right to seize and retain it until payment of the fines.

36. Chapter III deals with the creation of a State bank. Article 45 runs :—

" Actions instituted by the Bank in Morocco shall be tried before the consular court of the defendant or before the Moorish courts, in accordance with the rules of competence laid down in the treaties and Shereefian firmans.

" Actions brought against the Bank in Morocco shall be tried before a special court composed of three consular magistrates and two assessors. The Diplomatic Body shall draw up annually the list of magistrates and assessors and of their substitutes.

" This court shall in such actions apply the rules of law, procedure and competence laid down by French law in matters of commerce. Appeals from judgments pronounced by this court shall lie to the Federal Court at Lausanne, whose decision shall be final."

37. Chapter IV embodies a declaration concerning an improved yield of the taxes and the creation of new sources of revenue.

38. Article 59 deals with the " tertib." This comprises: " (i) l'impôt des cultures annuelles; (ii) l'impôt des arbres fruitiers; (iii) l'impôt sur le bétail." The article runs :—

" As soon as the " tertib " shall have been regularly enforced on Moorish subjects, the representatives of the Powers at Tangier shall impose it upon their nationals within the Empire. It is, however, understood that the said tax shall not be imposed on foreigners except—

" (*a*) Under the conditions prescribed by the regulations made by the Diplomatic Body at Tangier under date of the 23rd November, 1903.

" (*b*) In the localities where it shall be actually collected from Moorish subjects.

"The consular authorities shall retain a proportion of the amount levied upon their nationals in order to cover the expenses incurred in drawing up the lists and collecting the tax.

"The rate of such deduction shall be fixed by agreement between the Makhzen and the Diplomatic Body at Tangier."

39. Article 60 recognises, in accordance with article 11 of the Madrid Convention of 1880, the right of foreigners to acquire real property throughout the Shereefian Empire. At ports open to trade the Sultan's authorisation is to be general and not in respect of each purchase. At other places the general authorisation is to be limited to purchases within a radius of 2 kilom. around the towns.

40. Article 61 recognises in principle a tax on town buildings, a portion of the revenue to be set aside for municipal roads and hygiene, and generally for improvements and conservancy in towns. The article also states:—

"The tax shall be leviable on Moorish or foreign proprietors without any distinction; but the tenant or custodian of the key shall be responsible therefor to the Moorish Treasury.

"Regulations made by common agreement between the Shereefian Government and the Diplomatic Body at Tangier shall fix the rate of the tax, lay down the manner of collecting and applying it, and determine what proportion of the resources thus created shall be devoted to meeting the cost of improvements and of conservancy in the towns.

"At Tangier such proportion shall be paid to the International Sanitary Council, which shall determine the manner of its application until a municipal organisation shall have been created."

41. Article 64 runs:—

"The conference takes note of the proposals formulated by the Shereefian delegates respecting the establishment of new taxes on certain trades, industries and professions.

"If, as the result of the collection of such taxes from Moorish subjects, the Diplomatic Body at Tangier should consider that their levy should be extended to foreigners, it is hereby stipulated that the said taxes shall be exclusively municipal."

42. By article 65 the conference accepted a proposal for the introduction, with the co-operation of the Diplomatic Body, of a stamp duty on contracts; transfer tax on real estate; statistical and weighing dues on goods despatched coastwise; passport fee levied from Moorish subjects; and eventually quay and lighthouse dues.

43. Article 66 provided that—

"As a temporary measure, goods of foreign origin shall, on their entry into Morocco, pay a special tax of 2½ per cent. *ad valorem*. The total revenue derived from this tax shall form a special fund, which shall be devoted to meeting the expenditure on, and execution of, public works undertaken for the development of navigation and trade generally in the Shereefian Empire.

"The programme of the works and the order of their execution shall be settled by agreement between the Shereefian Government and the Diplomatic Body at Tangier."

The article further provided that the moneys belonging to the special fund shall be deposited in the Morocco State Bank, and that public contracts shall be awarded in the form and according to conditions laid down in regulations drawn up by the Diplomatic Body at Tangier conjointly with the Sultan's representative. In connexion with this special tax, article 33 provided that its proceeds should be paid into the State Bank, together with such revenues as it may eventually hypothecate as security for its loans, the bank being specially charged with their service (exception being made of the 1904 loan, which is governed by a special contract); while article 36 provided that the proceeds shall form a special fund, for which the bank shall keep a separate account, and which shall be employed in accordance with the rules laid down by the conference.

44. By article 67 the conference expressed the hope that the export duties would be reduced on chick-peas, maize, barley and wheat.

45. Article 70 deals with berthage or anchorage dues, which were fixed by treaties with certain Powers. According to the article, the Powers were prepared to consent to revision of the dues, and the Diplomatic Body at Tangier was charged with drawing up, in agreement with the Makhzen, the conditions of revision.

46. Chapter V embodies regulations respecting the customs and the suppression of fraud and smuggling. The various articles contain provisions for protecting the Moorish customs against illicit importing and exporting, by measures agreed on with the capitulatory Powers and involving the collaboration of the consular authorities. According to article 102, every confiscation, fine or penalty shall be pronounced, in the case of foreigners, by the consular courts, and in the case of Moorish subjects by the Shereefian courts.

47. Article 75 of the Algeciras Act provides that in the event of any modifications of the provisions of Chapter IV an understanding must be arrived at between the Makhzen and the Diplomatic Body.

48. Article 104 provides that the regulations in Chapter V concerning the customs and suppression of fraud and smuggling, shall, after two years, be open to revision by the Diplomatic Body at Tangier in agreement with the Makhzen.

49. The Algeciras Act contains no provision as to termination.

50. It may be convenient here to mention the steps that were taken for the execution of some of the more important taxes provided for in the Act of Algeciras.

51. The "tertib" remained inoperative as regards foreigners until 1913, when regulations were drawn up and approved by the Diplomatic Body, and applied to British subjects by a King's Regulation. The international regulations were modified and replaced by two dahirs of the 10th March and the 11th March, 1915, together with an "arrêté" of the 14th March, 1915, regulating its levy. The dahirs and "arrêté" were made applicable to British subjects by a King's Regulation. An "arrêté" of the 15th February, 1921, abrogated the "arrêté" of the 14th March, 1915, but it was not made the subject of a King's Regulation.

52. The urban tax or tax on town buildings was covered by international regulations drawn up on the 10th January, 1908, which provided for revision after a period of six years. Revision was effected by a dahir of the 24th July, 1918, modified by a dahir of the 22nd May, 1919, and these two dahirs, together with dahirs of the 23rd June, 1923, and the 16th February, 1924, were, at the request of the French Resident-General, applied to British subjects in the French Zone by King's Regulation No. 6 of 1924. File W 3167/3167/28/1924

53. The stamp tax was regulated by a dahir of the 15th December, 1917, which was made applicable, as regards the French Zone, to British subjects, by King's Regulation No. 1 of 1918. The dahir of 1917 was modified by a dahir of the 22nd December, 1923, which was likewise applied to British subjects by King's Regulation No. 4 of 1924.

54. The "patentes" tax (article 64 of the Act of Algeciras) was regulated by a dahir of the 9th October, 1920, which was made applicable to British subjects by "The 'Impôt des Patentes' (French Zone) Regulation, 1920." This dahir was amended by one of the 23rd May, 1922, and applied to British subjects by "The 'Impôt des Patentes' (French Zone) Amendment Regulation, 1922."

55. In 1909 an incident arose affecting British treaty rights as regards taxation, which recalled the incident of 1893 (see paragraph 26). The Sultan, without consulting the Powers, issued instructions for the collection from foreigners and protected persons at Fez of dues from which they had hitherto been exempt—market dues on woollen, cotton and silk garments, second-hand clothes, drapery, slippers, silver, arms, charcoal, wheat (resale), butter, oil, preserved meats, vegetables, wood, salt, wool. The Foreign Office approved the action of His Majesty's Minister in giving instructions for protected persons, pending a decision by the Powers, to pay the dues under protest and warning the Moorish authorities that repayment would be demanded. At the same time, His Majesty's Minister was reminded of the attitude taken up by His Majesty's Government with regard to the 1893 incident. Confl. 9617, Nos. 188 and 204.

56. On another occasion, in 1909, tax was levied, in accordance with instructions issued by the Sultan, on goods belonging to a British-protected

person, which had already paid import duty. His Majesty's Minister at Tangier pointed out to the Moorish Government that the tax was a breach of treaty stipulations, and referred to article 4 of the General Treaty of 1856. The modification of this stipulation in regard to certain specified taxes by the Madrid Convention and the Algeciras Act did not affect the general principle that except where His Majesty's Government had given their assent to any special tax being levied on British subjects or British-protected persons, they were absolutely exempt from all taxes or impositions whatever. His Majesty's Government agreed with this view, and the sum collected was, in fact, returned.

Confl. 9617, No. 380.

57. This case also raised a point which is of interest in connexion with the provision in the commercial convention of 1856, limiting to 10 per cent. *ad valorem* the duty on goods *imported by British subjects*. The point was whether goods of *British origin* should be exempted from any further tax, even though they had passed out of British hands and were in the possession of Moorish subjects. The view of His Majesty's Government was that any such taxation was contrary to the spirit and intention of both the commercial treaty of 1856 and the Algeciras Act. In ancient treaties, such as the Capitulations, it was customary to provide for the safety and good treatment of the British merchant, and to secure as an element of such good treatment that the goods which he brought to the foreign country should not pay more than a certain fixed rate of duty. This stipulation was preserved in British treaty arrangements with Morocco, probably on account of the primitive system of government prevailing there. Treaties on the modern model regard the nationality of the goods instead of that of the merchant who carries them; and that this was the view held by all the treaty Powers to be applicable in Morocco, was clearly proved by the wording of article 66 of the Algeciras Act, which does not speak of goods in the hands of the merchant, but provides that as a temporary measure goods of foreign origin shall, on entry, pay a special tax of 2½ per cent. *ad valorem*. The intention was clearly that such goods should not be subject to any dues exceeding the treaty rates plus 2½ per cent., and its effect would be entirely nullified if additional taxes could be imposed on the same goods inland. The French, Spanish, German and some of the other representatives concurred in the view of His Majesty's Government, and His Majesty's Minister suggested to the doyen that the Diplomatic Corps should address a protest to the Makhzen, declaring that the Powers absolutely refused to allow taxes to be imposed on goods of foreign origin over and above those authorised by treaty, even if the goods belonged to Moroccan citizens. There is nothing to show whether effect was actually given to this suggestion. In connexion with this point it may also be held that article 66 of the Act of Algeciras (which speaks of goods of foreign origin), article 4 of the United Kingdom–France Declaration of 1904, article 4 of the Franco-German Convention of 1911 (paragraph below), and, possibly, by implication, the United Kingdom-France Transit Agreement of the 24th August, 1916 (paragraph 96 below), prohibit inequality based on the origin of goods.

Confl. 9617, Nos. 392 and 405.

58. It has been said that the intention of the Algeciras Act was to internationalise the Moroccan question, but in effect France found herself in the main free to settle the lines of her Moroccan policy. However, disorders in Morocco hindered the application of French policy, and various incidents brought Germany into the field of diplomatic discussion. On the 9th February, 1909, France signed a declaration with Germany which ran :—

Confl. 9617, No. 392.

" Le Gouvernement de la République française, entièrement attaché au maintien de l'intégrité et de l'indépendance de l'Empire chérifien, résolu à y sauvegarder l'égalité économique, et par suite à ne pas y entraver les intérêts commerciaux et industriels allemands,

" Et le Gouvernement impérial allemand, ne poursuivant que des intérêts économiques au Maroc, reconnaissant d'autre part que les intérêts politiques particuliers de la France y sont étroitement liés à la consolidation de l'ordre et de la paix intérieure et décidé à ne pas entraver ces intérêts,

" Déclarent qu'ils ne poursuivront et n'encourageront aucune mesure de nature à créer en leur faveur ou en faveur d'une Puissance quelconque un privilège économique et qu'ils chercheront à associer leurs nationaux dans les affaires dont ceux-ci pourront obtenir l'entreprise."

59. In March 1910 France concluded agreements with Morocco embracing the evacuation of the Shawia (the coastal region of which Casablanca and Settat

are the principal centres), the evacuation of the Algerian frontier region and a French loan to Morocco.

60. On the 16th November, 1910, Spain concluded an agreement with Morocco with the object of reaching a settlement of the difficulties that existed in the Spanish frontier regions. The agreement dealt with three main objects: (i) The administration of the occupied region in the Riff and of the territory lying near the Spanish fortresses of Alhucemas and Peñon de Vélez; (ii) Ceuta frontier arrangements; (iii) Melilla war indemnity.

61. In 1911 anarchy in Morocco rose to a head, and the Sultan, besieged in Fez, appealed to France for assistance. A French expeditionary force marched on Fez and raised the siege. Germany now renewed her claims to a voice in Moroccan affairs, and the despatch of a German gunboat to Agadir brought about the second Moroccan crisis. Negotiations followed between France and Germany which resulted in the important convention of the 4th November, 1911.

62. Article 1 of this convention runs :—

" Le Gouvernement impérial allemand déclare que, ne poursuivant au Maroc que des intérêts économiques, il n'entravera pas l'action de la France en vue de prêter son assistance au Gouvernement marocain *pour l'introduction de toutes les réformes administratives financières et militaires* dont il a besoin pour le bon gouvernement de l'Empire comme aussi pour *tous les règlements nouveaux et les modifications aux règlements existants que ces réformes comportent*. En conséquence, il donne *son adhésion aux mesures de réorganisation, de contrôle et de garantie* financière que, après accord avec le Gouvernement marocain, le Gouvernement français croira devoir prendre à cet effet, sous la réserve que l'action de la France sauvegardera au Maroc l'égalité économique entre les nations.

" Au cas où la France serait amenée à préciser son contrôle et sa protection, le Gouvernement impérial allemand, reconnaissant pleine liberté d'action à la France, et sous la réserve que la liberté commerciale, prévue par les traités antérieurs, sera maintenue, n'y apportera aucun obstacle. . . . ."

Accordingly, by article 2, the German Government " ne fera pas obstacle à ce que la France, après accord avec le Gouvernement marocain, procède aux occupations militaires du territoire marocain qu'elle jugerait nécessaire au maintien de l'ordre et de la sécurité des transactions commerciales . . . ."

63. Article 4 runs :—

" Le Gouvernement français déclare que, fermement attaché au principe de la liberté commerciale au Maroc, il ne se prêtera à aucune inégalité pas plus dans l'établissement des droits de douane, impôts et autres taxes, que dans l'établissement des tarifs de transport par voie ferrée, et notamment dans toutes les questions de transit.

" Le Gouvernement français s'emploiera également auprès du Gouvernement marocain afin d'empêcher tout traitement différentiel entre les ressortissants des différentes Puissances; il s'opposera notamment à toute mesure, par exemple la promulgation d'ordonnances administratives sur les poids et mesures, le jaugeage, le poinçonnage, &c., qui pourraient mettre en état d'infériorité les marchandises d'une Puissance . . . ."

64. Article 6 modified to some extent the privileges secured under the Act of Algeciras with regard to adjudications for public works. The article provides that the French Government will see to it that works and supplies required for the construction of roads, railways, posts, telegraphs, &c., will be granted in accordance with the rules of adjudication, and that such rules will not place the nationals of any Power in a position of inferiority. It goes on to provide, however, that the *exploitation* of such " grandes entreprises " as those above mentioned may be " librement concédées à des tiers " by the Moroccan Government.

The fifth paragraph of article 6 runs :—

" De même, le Gouvernement français s'emploiera auprès du Gouvernement marocain pour que, durant la période où restera en vigueur l'article 66 de l'Acte d'Algésiras, il confie à un ressortissant d'une des Puissances représentées au Maroc un des trois postes de délégué chérifien au Comité spécial des Travaux publics."

This reference to article 66 of the Algeciras Act being in force is an indication as to the retention of the limits of customs duties.

65. Article 9 provides for the reference to an arbitrator of complaints brought by foreign nationals against the Moorish authorities or agents, which have not been found capable of adjustment through the intermediary of the French consul and the consul of the interested Power. This mode of procedure was to continue pending the introduction of a "régime judiciaire inspiré des règles générales de législation des Puissances intéressées et destiné à remplacer, après entente avec elles, les tribunaux consulaires."

66. By article 12, the two Governments undertake, at the request of the Moorish Government, to endeavour, in agreement with the other Powers and on the basis of the Madrid Convention, to secure the revision of the lists and position of foreign protégés and mokhalats, and also to move the signatory Powers to introduce such modifications into the Madrid Convention "que comporteraient . . . . le changement du régime des protégés et associés agricoles."

67. Article 13 abrogated all contrary stipulations in previous treaty instruments.

68. By article 14 the convention was to be communicated to the Powers signatory of the Algeciras Act, and the two Governments engaged to support each other in obtaining the accession of those Powers.

69. According to Basdevant's *Traités et Conventions en vigueur entre la France et les Puissances étrangères*, the convention of 1911 was acceded to by all the Powers signatory of the Act of Algeciras on the following dates: Austria-Hungary, December 28, 1911; Belgium, April 24, 1912; Spain, November 6, 1912; United States, December 15, 1911; Great Britain, November 14, 1911; Italy, November 7, 1911; Morocco, November 6, 1911, Netherlands, March 15, 1913; Portugal, May 14, 1913; Russia, November 15, 1911; Sweden, November 11, 1911. So far as the accession of the United States is concerned, the above statement appears to be incorrect, as the United States Government in their note of the 15th December, 1911, to the French Ambassador in Washington deliberately refrained from expressing any opinion on the political parts of the Franco-German Convention, and as regards the articles relating to commercial rights and the administration of justice, pointed out that accession could only be done by and with the advice and consent of the United States Senate. The United States Government were willing, when the proper time came, to enter into negotiations for new treaty arrangements regarding extra-territorial rights and rights of United States protégés, and in general to agree in principle to the other articles of the Franco-German agreement provided that the commercial and other advantages secured by existing United States treaties were preserved.

70. The accession of the United Kingdom was made on the explicit understanding that the provisions of articles 4 and 7 of the United Kingdom–France Declaration of 1904 were in no way affected, that British subjects in Morocco would receive no less favourable treatment than that accorded to the subjects of any other Power, and that adequate arrangements would be made for placing the town and municipal district of Tangier definitely under international control.

71. There were also explanatory notes annexed to the convention of 1911. By these notes it was agreed that "dans l'hypothèse où le Gouvernement français croirait devoir assumer le Protectorat du Maroc, le Gouvernement impérial n'y apporterait aucun obstacle," and that "l'adhésion du Gouvernement allemand, accordée d'une manière générale au Gouvernement français par l'article 1er de ladite convention, s'applique, naturellement, à toutes les questions donnant matière à réglementation et visées dans l'Acte d'Algésiras." The French Government promise that as soon as the judicial system contemplated by article 9 of the convention is instituted and the consular courts are replaced, German nationals shall be placed in exactly the same conditions as French nationals. The view was expressed also that the expression "les changements du régime des protégés" in article 12 of the convention "implique l'abrogation, si elle est jugée nécessaire, de la partie de la Convention de Madrid qui concerne les protégés et associés agricoles."

72. The Franco-German Convention of 1911 is contended by the French Government to have effected important modifications of previous treaty rights

in Morocco. This contention is developed in the course of diplomatic correspondence between the British and French Governments arising out of the consumption and gate taxes in the French Zone, an aspect which is dealt with later on in this memorandum. It may be useful, however, at this point to set out statements made in the debate in the French Senate and from certain other sources which bear on the interpretation and effect of the convention.

73. In the debate in the French Senate the president of the Foreign Affairs Commission (M. Deschanel) said :—

> "Nous ne sommes pas maîtres des tarifs! Mais est-ce donc là une nouveauté et pouvions-nous espérer autre chose? Pouvions-nous supprimer le passé, les grands intérêts commerciaux de l'Angleterre, notre accord de 1904 avec elle, établissant la liberté commerciale, et l'Acte d'Algésiras qui la consacrait au profit de toutes les Puissances? Et d'autre part, pouvions-nous supprimer ce traité de commerce que l'Allemagne, devançant et déjouant l'Angleterre, avait réussi à conclure avec le Maghzen?"—(French Senate, December 16, 1911.)

74. The *rapporteur* (M. Long) referred to article 4 of the convention, according to which the French Government declared that "il ne se prêtera à aucune inégalité, pas plus dans l'établissement des droits de douane, impôts et autres taxes que dans l'établissement des tarifs de transport." M. Long said : "On peut regretter l'impossibilité où nous serons d'établir au Maroc une barrière douanière qui aurait pu nous assurer, comme dans certaines de nos colonies, le privilège exclusif du commerce du Maroc. Mais enfin ce n'est pas là un nouveau régime." It was necessary (he said) to compare the article with the provisions of (the first paragraphs of) article 4 of the Anglo-French Declaration of 1904, which were couched in almost similar terms. M. Long went on to say :—

> "Ce qui est à retenir, par exemple, de cet article 4 [Franco-German Convention], c'est que ces clauses qui ne font que préciser le principe posé à l'article 1er montrent du moins très clairement que *le Gouvernement marocain reprend le plein exercice de sa souveraineté en ce qui concerne l'établissement des droits de douane, impôts et autres taxes*, puisque, précisément, cet article 4 n'en subordonne l'établissement à aucune autre restriction que le respect du principe de l'égalité.
>
> "Sous le régime d'Algésiras, les articles 75 et 76 imposaient l'adhésion du Corps diplomatique à tout établissement ou remaniement d'impôts. L'État marocain reprend à cet égard sa pleine et entière liberté, sauf une restriction spéciale aux minerais de fer. En ce qui concerne les douanes, l'article 103 [*sic*: ? 104] de l'Acte d'Algésiras imposait cette adhésion diplomatique à toute revision. Aujourd'hui, *le Gouvernement marocain retrouve à cet égard le plein exercice de sa souveraineté, dans la limite, bien entendu, de ses obligations conventionnelles qui dérivent des traités passés avec diverses Puissances*. . . . ."—(French Senate, December 18, 1911.)

75. The President of the Council (M. Caillaux) said : "Il n'est pas douteux que c'est chose sérieuse de s'engager à instituer la porte ouverte et à exclure tout tarif différentiel. Mais ce régime n'existe-t-il que pour le Maroc? Quel est donc le régime du Congo? Il est le même. Que dis-je? Il est plus rigoureux." M. Caillaux went on to remark that, in the Congo conventional basin, customs duties were limited to a maximum of 10 per cent. for goods of any origin. "Au Maroc les droits sont actuellement de 12·50 pour cent, ce qui ne fait pas une grosse différence; *mais on n'est pas lié pour la quotité, on est lié seulement sur la question de principe*."—(Senate, December 18, 1911.)

76. M. Poincaré (President of the Council in the succeeding French Government) said, in a subsequent debate on the same question :—

> "Cette disposition [regarding economic equality and freedom of commerce in article 4] implique évidemment, pour le Gouvernement marocain le droit d'établir des impôts ou des taxes applicables aux étrangers, sans aucune autre condition que le respect de l'égalité de traitement.
>
> "Le Gouvernement marocain, il est vrai, a signé . . . . un certain nombre de traités avec les Puissances européennes : en 1856 avec la Grande-Bretagne; en 1861 avec l'Espagne; en 1890 avec l'Allemagne; . . . .

"Mais . . . . les clauses de ces traités qui seraient en contradiction avec l'accord du 4 novembre tomberaient vis-à-vis des nations adhérentes en vertu de l'article 13.

"Au reste, toutes ces conventions ont été conclues pour des durées très brèves : . . . . Sans doute . . . . il a été stipulé qu'après l'expiration de ces délais, ces traités demeureraient en vigueur jusqu'à ce qu'ils eussent été revisés d'un commun accord. Mais . . . . il serait contraire au droit public moderne que cette clause pût être interprétée dans le sens de la perpétuité du *statu quo*. Et, tout en respectant scrupuleusement l'égalité économique, qui est le grand principe consacré par le traité du 4 novembre 1911, le Gouvernement français s'emploiera à résoudre, au mieux des intérêts français et marocains, ces délicates questions de tarifs douaniers. . . . ."—(Senate, February 10, 1912.)

77. The compilation : *Traités, Codes et Lois du Maroc*, published by P.-Louis Rivière, which is prefaced by a letter from General Lyautey, concludes the introduction (Tome I) with the following passage :—

"L'édifice conventionnel qui a précédé, au Maroc, l'établissement du Protectorat français demeure debout dans son ensemble. D'une part, en effet, les dispositions des traités antérieurs à la Conférence d'Algésiras n'ont été infirmées qu'autant qu'elles se trouvent contraires à celles de l'Acte du 7 avril 1906; pour le reste, elles demeurent en vigueur. D'autre part, les clauses de cet Acte n'ont été entamées dans leur principe ni par le Traité de Protectorat signé à Fez, le 30 mars 1912, ni par le Traité de Versailles, ni par aucune convention ultérieure. L'Acte d'Algésiras demeure la charte internationale du Maroc."

78. The Réglementation douanière of the Service des Douanes et Régies du Maroc (1931) in the section (128) on import tariff states : "Les marchandises d'origine étrangère sont passibles, à leur entrée au Maroc, d'un droit de douane de 10 pour cent *ad valorem*," and mentions Morocco's treaties with Spain of 1799 and 1861, with the United Kingdom of 1856 and with Germany of 1890. (The special tax of 2½ per cent. under article 66 of the Act of Algeciras is also mentioned.) In the section (162) on exportation it is stated : "Les traités passés par l'Empire chérifien avec les diverses Puissances étrangères ont fixé le taux des taxes de sortie à percevoir sur les produits d'origine marocaine. Le tarif des droits d'exportation, actuellement appliqué, résulte des dispositions combinées des traités des 9 décembre 1856 (anglo-marocain), 20 novembre 1861 (hispano-marocain), 1er juin 1890 (germano-marocain) et 21 octobre 1892 (franco-marocain), dont les stipulations ont été rendues applicables à tous les États en vertu de la clause de la nation la plus favorisée insérée à l'article 17 de la Convention de Madrid du 3 juillet 1880 et du principe de l'égalité économique entre toutes les Puissances posé par l'Acte d'Algésiras." Again, in regard to the origin of goods, the publication states (paragraph 54) that, in conformity with the provisions of the Act of Algeciras and of article 17 of the Madrid Convention, article 4 of the Anglo-French Declaration of 1904, article 4 of the Franco-German Convention of 1911, article 1 of the Anglo-French Agreement of the 24th August, 1916, "il n'est fait aucune distinction, à l'entrée au Maroc, au point de vue de l'application du tarif, en raison de l'origine ou de la provenance des marchandises." In this connexion attention may be drawn to the observations in paragraph above. A despatch of the 21st November, 1911, from His Majesty's Ambassador at Berlin recorded that the German Government, according to a statement of the Secretary of State for Foreign Affairs in the Reichstag on certain points connected with the Morocco Convention, were of the opinion that all German treaty rights in respect of Morocco remained in force in virtue of the axiom of international law that treaties contracted by a State continued to be operative after a protectorate has been established over such State. Any complaints which Germany might have to make to Morocco in regard to her treaty rights would in future be addressed to the Sultan through French channels.

Cond. 996, No. 499.

79. It may be admitted that by their accession to the Franco-German Convention of 1911 His Majesty's Government engage to adopt a benevolent attitude towards the French authorities in Morocco as regards the introduction of all reforms of an administrative, judicial, economic, financial and military

nature, necessary for the good government of the country, and as regards all new regulations and modifications of existing regulations required by such reforms. Dahirs have, in fact, been issued during the French protectorate (see paragraph 80 *et seq.* below), modifying or replacing former regulations drawn up with the approval of the Diplomatic Body, as in the case of the "tertib" and the urban tax. The "tertib" regulations of 1913, as approved by the Diplomatic Body, contained a final article providing for revision after two years on the demand of one of the Algeciras Powers. The French Ambassador in London in a note of the 26th March, 1913, stated that the French Government "estime que l'application de cette disposition serait peu compatible avec le plein exercice du protectorat et des droits qui lui ont été reconnus par l'accord du 4 novembre 1911. Il formule donc à cet égard des réserves." In the minutes on the paper, the view was taken that the French Government were no doubt right on this point, and, in reply, His Majesty's Government took note of the reservation. Nevertheless, the benevolent attitude of His Majesty's Government in such respects is without prejudice to their already existing treaty rights, which are unaffected by the Franco-German convention. It can be admitted that the provisions of the convention regarding adjudications modify previous regulations based on the Act of Algeciras. It cannot be contended that the judicial reforms under the convention affect British rights of consular jurisdiction, and His Majesty's Government do not admit that any of the commercial and fiscal privileges under British treaties have lost their force by virtue of the Franco-German convention. The moral obligation of His Majesty's Government to apply dahirs to British subjects by King's Regulations in order not to embarrass the French Government in carrying out measures necessary for the good government of Morocco is subject to there being no actual discrimination against British trade. (The same principle applies to the Spanish Zone, see paragraph 82 *et seq.* below.)

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80. The conclusion of the convention of 1911 with Germany left France free to enter into negotiations with Morocco, with the result that a protectorate treaty was signed at Fez on the 30th March, 1912.

81. By the first paragraph of article 1 of this treaty, which may be compared with the first paragraph of article 1 of the Franco-German Convention of 1911, France and Morocco "sont d'accord pour instituer au Maroc un nouveau régime comportant les réformes administratives, judiciaires, scolaires, économiques, financières et militaires que le Gouvernement français jugera utile d'introduire sur le territoire marocain."

By the third paragraph of article 1 the French Government "se concertera avec le Gouvernement espagnol au sujet des intérêts que ce Gouvernement tient de sa position géographique et de ses possessions territoriales sur la côte marocaine."

By the final paragraph of the article, "la ville de Tanger gardera le caractère spécial qui lui a été reconnu et qui déterminera son organisation municipale."

By article 2, the Sultan agrees that the French Government should proceed with such military occupation of Moorish territory as may be deemed necessary for the maintenance of order and the security of commercial transactions, and should undertake police measures on land and in Moroccan waters.

Article 4 runs :—

"Les mesures que nécessitera le nouveau régime de Protectorat seront édictées, sur la proposition du Gouvernement français, par Sa Majesté chérifienne ou par les autorités auxquelles elle en aura délégué le pouvoir. Il en sera de même des règlements nouveaux et des modifications aux règlements existants."

Article 5 :—

"Le Gouvernement français sera représenté auprès da Sa Majesté chérifienne par un Commissaire Résident général, dépositaire de tous les pouvoirs de la République au Maroc, qui veillera à l'exécution du présent accord.

"Le Commissaire Résident général sera le seul intermédiaire du Sultan auprès des représentants étrangers et dans les rapports que ces représentants entretiennent avec le Gouvernement marocain. Il sera, notamment, chargé de toutes les questions intéressant les étrangers dans l'Em[illegible] chérifien. Il aura

le pouvoir d'approuver et de promulguer, au nom du Gouvernement français, tous les décrets rendus par Sa Majesté chérifienne."

Article 6 :—

"Les agents diplomatiques et consulaires de la France seront chargés de la représentation et de la protection des sujets et des intérêts marocains à l'étranger.

"Sa Majesté le Sultan s'engage à ne conclue aucun acte ayant un caractère international sans l'assentiment préalable du Gouvernement de la République française."

82. The French Protectorate Treaty of 1912 was followed by the Franco-Spanish Convention of the 27th November, 1912, defining the French and Spanish positions in Morocco.

By article 1 :—

"Le Gouvernement de la République française reconnait que, dans la zone d'influence espagnole, il appartient à l'Espagne de veiller à la tranquillité de ladite zone et de prêter son assistance au Gouvernement marocain pour l'introduction de toutes les réformes administratives, économiques, financières, judiciaires et militaires dont il a besoin, comme aussi pour tous les règlements nouveaux et les modifications aux règlements existants que ces réformes comportent, conformément à la déclaration franco-anglaise du 8 avril 1904 et à l'Accord franco-allemand du 4 novembre 1911.

"Les régions comprises dans la zone d'influence déterminée à l'article 2 resteront placées sous l'autorité civile et religieuse du Sultan, suivant les conditions du présent accord.

"Ces régions seront administrées, sous le contrôle d'un haut-commissaire espagnol, par un khalifa choisi par le Sultan sur une liste de deux candidats présentés par le Gouvernement espagnol. Les fonctions du khalifa ne seront maintenues ou retirées au titulaire qu'avec le consentement du Gouvernement espagnol.

"Le khalifa résidera dans la zone d'influence espagnole et habituellement à Tétouan; il sera pourvu d'une délégation générale du Sultan, en vertu de laquelle il exercera les droits appartenant à celui-ci.

"Cette délégation aura un caractère permanent. En cas de vacance, les fonctions de khalifa seront, provisoirement et d'office, remplies par le pacha de Tétouan.

"Les actes de l'autorité marocaine dans la zone d'influence espagnole seront contrôlés par le haut-commissaire espagnol et ses agents. Le haut-commissaire sera le seul intermédiaire dans les rapports que le khalifa, en qualité de délégué de l'autorité impériale dans la zone espagnole, aura à entretenir avec les agents officiels étrangers, étant donné d'ailleurs qu'il ne sera pas dérogé à l'article 5 du Traité franco-chérifien du 30 mars 1912.

"Le Gouvernement de Sa Majesté le Roi d'Espagne veillera à l'observation des traités et spécialement des clauses économiques et commerciales insérées dans l'Accord franco-allemand du 4 novembre 1911.

"Aucune responsabilité ne pourra être imputée au Gouvernement chérifien du chef de réclamations motivées par des faits qui se seraient produits sous l'administration du khalifa dans la zone d'influence espagnole."

83. By article 7 :—

"La ville de Tanger et sa banlieue seront dotées d'un régime spécial qui sera déterminé ultérieurement; elles formeront une zone comprise dans les limites décrites ci-après."

84. By article 10 :—

"Les impôts et ressources de toutes sortes dans la zone espagnole seront affectés aux dépenses de ladite zone."

85. By article 11 :—

"Le Gouvernement chérifien ne pourra être appelé à participer à aucun titre aux dépenses de la zone espagnole."

86. Article 13 provides an arrangement for each zone to receive the produce of its own customs. The Tangier customs receipts are to be divided between the international, Spanish and French zones, according to the ultimate destination of the goods. The following provisions may be quoted :—

"Les deux Gouvernements conviennent :

"1. Que, balance faite des recettes douanières que chacun des deux administrations zonières encaissera sur les produits introduits par ses douanes à destination de l'autre zone, il reviendra à la zone française une somme totale de 500,000 pesetas hassani se décomposant ainsi : . . . .

"2. Que les recettes douanières encaissées par le bureau de Tanger devront être réparties entre la zone internationalisée et les deux autres zones, au prorata de la destination finale des marchandises. En attendant que le fonctionnement des chemins de fer permette une exacte répartition des sommes dues à la zone française et à la zone espagnole, le service des douanes versera en dépôt à la Banque d'Etat l'excédent de ces recettes, payement fait de la part de Tanger.

"Les administrations douanières des deux zones s'entendront par l'entremise de représentants, qui se réuniront périodiquement à Tanger, sur les mesures propres à assurer l'unité d'application des tarifs."

87. Article 18 runs :—

"En ce qui concerne le Comité des Valeurs douanières, le Comité spécial des Travaux publics et la Commission générale des Adjudications, durant la période où ces comités resteront en vigueur, il sera réservé à la désignation du khalifa de la zone espagnole un des sièges de délégué chérifien dans chacun de ces trois comités.

"Les deux Gouvernements sont d'accord pour réserver à chaque zone et affecter à ses travaux publics le produit de la taxe spéciale perçue dans ses ports en vertu de l'article 66 de l'Acte d'Algésiras.

"Les services respectifs seront autonomes.

"Sous condition de réciprocité, les délégués de l'administration de la zone française voteront avec les délégués du khalifa dans les questions intéressant la zone espagnole et notamment pour tout ce qui concerne la détermination des travaux à exécuter sur les fonds de la taxe spéciale, leur exécution, et la désignation du personnel que cette exécution comporte."

88. Article 19 :—

"Le Gouvernement de la République française et le Gouvernement de Sa Majesté catholique se concerteront en vue de :

"1. Toutes les modifications qui devraient être apportées dans l'avenir aux droits de douane;

"2. L'unification des tarifs postaux et télégraphiques dans l'intérieur de l'Empire."

89. Article 21 :—

"Le Gouvernement de la République française et le Gouvernement de Sa Majesté catholique s'engagent à provoquer la revision, d'accord avec les autres Puissances et sur la base de la Convention de Madrid, des listes et de la situation des protégés étrangers et des associés agricoles visés par les articles 8 et 16 de cette convention.

"Ils conviennent également de poursuivre auprès des Puissances signataires toute modification de la Convention de Madrid que comporteraient, le moment venu, le changement du régime des protégés et associés agricoles, et éventuellement l'abrogation de la partie de ladite convention concernant les protégés et associés agricoles."

90. Article 24 :—

"Le Gouvernement de la République française et le Gouvernement de Sa Majesté catholique se réservent la faculté de procéder à l'établissement, dans leurs zones respectives, d'organisations judiciaires inspirées de leurs législations. Une fois ces organisations établies et les nationaux et protégés de chaque pays soumis, dans la zone de celui-ci, à la juridiction de ces tribunaux, le Gouvernement de la République française, dans la zone

d'influence espagnole, et le Gouvernement de Sa Majesté le Roi d'Espagne, dans la zone d'influence française, soumettront également à cette juridiction locale leurs nationaux et protégés respectifs.

" Tant que le paragraphe 3 de l'article 11 de la Convention de Madrid du 3 juillet 1880 sera en vigueur, la faculté qui appartient au Ministre des Affaires étrangères de Sa Majesté chérifienne de connaître en appel des questions de propriété immobilière des étrangers fera partie, pour ce qui concerne la zone espagnole, de l'ensemble des pouvoirs délégués au khalifa."

91. The letters annexed to the Franco-Spanish Convention of the 27th November, 1912, dealt with the appointment of the Khalifa, and also stated that " pour les relations diplomatiques des Gouvernements étrangers avec le Sultan, il est bien entendu, en effet, que la mention faite dans la présente convention (see article 1) de l'article 5 du Traité franco-chérifien du 30 mars 1912 en réserve à la France le monopole."

92. The French protectorate over Morocco was recognised by His Majesty's Government in December 1914, such recognition being announced in the following notice, dated the 19th December, 1914, published in the *London Gazette*:—

" His Majesty's Government having been informed that the Government of the French Republic have recognised the British protectorate over Egypt, His Britannic Majesty's Principal Secretary of State for Foreign Affairs hereby gives notice that His Majesty's Government adhere to the Franco-Moorish Treaty of the 30th March, 1912."

93. On the other hand, His Majesty's Government have not acceded to the Franco-Spanish Convention of the 27th November, 1912, although the position of Spain in the Spanish Zone has been accepted *de facto* by His Majesty's Government.

94. Shortly before the conclusion of the Franco-Spanish Convention of 1912 France and Italy signed, on the 28th October, 1912, an agreement to the effect that the two countries " confirment leur mutuelle intention de n'apporter réciproquement aucun obstacle à la réalisation de toutes les mesures qu'ils jugeront opportun d'édicter, la France, au Maroc, et l'Italie, en Libye," and that most-favoured-nation treatment should be reciprocally assured to their nationals, products, establishments and enterprises.

95. On the 11th June, 1914, an agreement was concluded between Switzerland and France. By article 1 Switzerland is to enjoy in the French Zone " liberté économique, sans inégalité aucune, telle qu'elle résulte de l'Acte général d'Algésiras du 7 avril 1906 et des conventions internationales subséquentes," and also unconditional most-favoured-nation treatment. By article 2 Switzerland renounced capitulatory privileges in the French Zone. By article 3 " les traités et conventions de toute nature en vigueur entre la Suisse et la France sont, sauf clause contraire, étendus à la Zone française de l'Empire chérifien, pour autant que cette extension n'est pas contraire au contenu même desdits accords ou n'est pas incompatible avec l'égalité économique stipulée au § 1 du présent arrangement." All the Powers have renounced their rights of consular jurisdiction in the French Zone with the exception of the United States and the United Kingdom. Many of the instruments of renunciation contain the provision set out in article 3 of the above agreement with Switzerland of 1914.

96. On the 24th August, 1916, an agreement was concluded between the United Kingdom and France respecting trade with Morocco and Egypt in transit through British and French territories in Africa. Article 1 runs:—

" Goods exported from or despatched to the United Kingdom, which may be despatched to or emanate from Morocco, and which pass in transit through . . . . territories bordering on Morocco and belonging to France or recognising her sovereignty . . . . shall be accorded a treatment exactly similar to that applied to goods exported from or despatched to France . . . . so far as concerns customs duties and other dues to which they may be liable in the territories through which they pass in transit, so far as concerns railway rates and imposts, so far as concerns the customs regulations in force affecting their ingress and egress, so far as concerns the method of transit, and, in general, so far as concerns all customs facilities."

This agreement, it may be noted, deals with goods of United Kingdom origin.

97. In 1919, as the result of negotiations between His Majesty's Government and the French Government, a draft convention was drawn up concerning Egypt and Morocco. In May of that year, however, it was learned that the French Government would not consent to sign the convention until the question of Tangier and of the Spanish Zone had been disposed of. In a despatch from Paris to Lord Curzon reporting the French attitude, Lord Balfour stated: " The convention is very near completion. In fact, the text is agreed and a covering letter to M. Pichon had already been drafted. The questions of Tangier and of the Spanish Zone, moreover (as the French Government know very well), have nothing to do with this convention. If, therefore, the French Government really intended at the eleventh hour to refuse signature, this would have amounted to a bad breach of faith, and I should have proposed to take a strong line with the French Government." In view, however, of certain considerations affecting Egypt, it was decided not to press the French to sign; the negotiations were suspended and the convention was never signed. Nevertheless, it seems reasonable to contend that the French Government at the time accepted the principles contained in the draft of the convention as ready for signature. 90993/2081/1919

98. The preamble of the draft convention ran:—

" His Britannic Majesty's Government and the Government of the French Republic, deeming that, by reason of the recognition by the former of the French protectorate in Morocco, and by the latter of the British protectorate in Egypt, the time has arrived for giving full measure of effect to the declaration of the 8th April, 1904, both in Egypt and in the French Zone of Morocco, in which territories the two respective Governments henceforward assume responsibility for the maintenance of peace, order and good governmenet;

" And cognisance having been taken by the British Government of the guarantees afforded to them by the laws already promulgated in the French Zone of Morocco, and by the Government of the French Republic of the guarantees afforded to them by the Egyptian draft judicature Law for Unified Tribunals;

" Have determined to substitute the provisions contained herein for the régime at present prevailing in Egypt so far as relates to French nationals, and in the French Zone of Morocco so far as relates to British nationals."

99. Article 1 provides for the renunciation of British capitulatory privileges in the French Zone.

By article 5—

" All treaties between Great Britain and Morocco are and shall remain abrogated so far as concerns the French Zone. Pending, however, the conclusion of a new treaty of commerce and navigation, the *commercial* convention of the 9th December, 1856, between Great Britain and Morocco, supplemented by article 68 of the Act of Algeciras of the 7th April, 1906, relative to the export of cattle, *shall remain in force* except as regards any stipulations incompatible with article 1 of the present convention."

This implies that the Commercial Convention of 1856 was considered to be still valid.

100. As regards Tangier, article 9 of the Secret Franco-Spanish Convention of 1904, article 1 of the French Protectorate Treaty of 1912 and article 7 of the Franco-Spanish Convention of 1912 recognised the existence of a special régime there. It was not, however, until 1923 that a convention was drawn up laying down the organisation of the Tangier Zone. The convention was signed at Paris on the 18th December, 1923, by the United Kingdom, France and Spain. It was ratified by these Powers and acceded to by Belgium, Netherlands, Portugal and Sweden. Italy became a party when the revising agreement of the 25th July, 1928, was concluded between the United Kingdom, France, Italy and Spain, to which also Belgium, Netherlands, Portugal and Sweden acceded.

101. The statute defines the Tangier Zone as lying within the boundaries fixed by the Franco-Spanish Convention of 1912. Under the sovereignty of the Sultan, whose rights in this respect are not prejudiced by the statute, the zone is to enjoy legislative and administrative autonomy, although in respect of diplomatic matters there is to be no derogation from the provisions of article 5

of the French Protectorate Treaty of 1912, the French Resident-General being, therefore, the channel of communication *vis-à-vis* foreign Powers. Thus, article 5 runs :—

" The Tangier Zone shall possess, under authority delegated by His Shereefian Majesty and subject to the exceptions provided for, the most extensive legislative and administrative powers. This delegation of authority shall be permanent and general, except in diplomatic matters, where there shall be no derogation from the provisions of article 5 of the Protectorate Treaty of the 30th March, 1912.

" The duly constituted authorities of the zone may, however, negotiate with the consuls on questions of interest to the zone within the limits of its autonomy."

102. Article 13 abrogates Capitulations in the zone, together with the system of protection. The provisions of the Madrid Convention of 1880 remain in force so far as concerns naturalisation.

103. By article 7—

" The Tangier Zone shall respect all treaties in force.

" Economic equality among nations, resulting from such treaties, shall continue to be observed in Tangier, even if the said treaties are subsequently abrogated or modified."

104. Paragraphs 1 and 2 of article 8 run :—

" International agreements concluded in the future by His Shereefian Majesty shall only extend to the Tangier Zone with the consent of the International Legislative Assembly of the zone.

" By exception, international agreements to which all the Powers signatories of the Act of Algeciras are contracting parties or shall have acceded apply automatically to the zone."

105. According to article 20—

" The Tangier Customs shall levy duties and taxes only on goods destined exclusively for consumption in the zone.

" Goods landed at Tangier and destined for the use or consumption in the French or Spanish Zones shall enjoy the benefit of the ordinary rules of transit, warehousing or temporary admission, the proper customs duties being collected at the custom-houses of the zone of consumption.

" The transit regulations will be based on the conclusions of the Barcelona Conference of 1921.

" Similarly, imported goods arriving through the French or Spanish Zones shall pay custom duty on entering the Tangier Zone.

" Export duties will be leviable only on goods originating in the zone."

106. Article 29 provides that the Sultan shall nominate a Mendoub to represent him at Tangier, who will promulgate the legislation passed by the international assembly and countersigned by the Resident of the Committee of Control. The legislative powers are vested in an International Legislative Assembly under the presidency of the Mendoub and composed of representatives of the foreign and native community (article 32). A Committee of Control, consisting of the consuls *de carrière* of the Powers signatory of the Algeciras Act, has the right of veto over the laws and regulations voted by the Assembly (articles 30 and 31). By the fifth paragraph of article 30 it will be the duty of the Committee of Control to ensure the observance of the régime of economic equality and the provisions of the Statute of Tangier.

107. Article 28 provides that Moroccan subjects shall enjoy complete equality with the nationals of the Powers in the matter of duties and taxes of all kinds. They shall pay exactly the same duties and taxes.

108. Articles 32 and 33 provide for the drawing up of certain fiscal enactments, including a duty on alcohol, registration and stamp taxes, and consumption duties on sugars, colonial products, candles and beers.

109. Article 55 abrogates all contrary clauses of previous treaty instruments.

110. A Shereefian dahir was promulgated on the 16th February, 1924, organising the administration of the Tangier Zone, articles 11 and 12 of which run :—

Article 11—

" L'Administration de la zone est tenue de respecter les traités actuellement en vigueur entre Nous et les Puissances.

" S'étendent notamment de plein droit à la Zone de Tanger les accords internationaux auxquels toutes les Puissances signataires de l'Acte d'Algésiras sont parties contractantes ou auront adhéré.

" En cas de désaccord entre les stipulations desdits traités et les lois et règlements établis par l'Assemblée législative internationale, les stipulations des traités prévaudront.

" L'Administration de la Zone veille d'une façon spéciale à l'observation des articles 3, 7 (paragraphe 2), 8 (paragraphe 3), 10, 11 et 12 de la convention en date du 18 décembre 1923."

Article 12—

" Les accords internationaux, conclus à l'avenir par Notre Majesté chérifienne, ne s'étendront à la Zone de Tanger qu'avec l'assentiment de l'Assemblée législative internationale. Il en sera de même de Nos décrets rendus conformément à l'article 5 du Traité de Protectorat du 30 mars 1912.

" Par exception, s'étendront de plein droit à la Zone de Tanger :

" 1. Les accords internationaux auxquels toutes les Puissances signataires de l'Acte d'Algésiras seront parties contractantes ou auront adhéré;

" 2. Toutes dispositions législatives applicables aux deux Zones française et espagnole et relatives :

" (*a*) Au fonctionnement des services postaux et télégraphiques chérifiens avec l'étranger ainsi qu'à l'unification des tarifs y applicables;

" (*b*) Au commerce des armes et des munitions à leur usage."

111. So far as customs duties are concerned, the position in Tangier is the same as in the rest of Morocco. The duties are limited to 10 per cent., together with the special tax of 2½ per cent. authorised by the Act of Algeciras.

112. As regards consumption and other taxes, there is no question of the issue of King's regulations providing for their application to British subjects, as the Capitulations in the zone have been abolished. The Tangier Statute has also authorised certain consumption and other duties, which brings the Tangier Zone more or less into line with the legislation in the French and Spanish Zones. The United Kingdom, being a party to the Tangier Statute, and being represented on the Committee of Control, must be held to have agreed to fiscal measures as ratified by the Committee of Control. The United Kingdom Government would have a right to protest against any proposed fiscal measures outside the Tangier Statute which were contrary to British treaty rights. For example, it was considered that the United Kingdom Government would have been entitled to protest, on treaty grounds, against the new gate tax in Tangier on goods entering by sea; His Majesty's consul-general was authorised to agree to it, but he made it clear that this approval must not be considered as prejudicing the question of right. Any new consumption taxes not covered by the Tangier Statute would have to be agreed to by His Majesty's Government in the person of their representative on the Committee of Control.

113. The consent of the United States Government, who alone of the Algeciras Powers retain their capitulatory rights in the Tangier Zone, is necessary for the application of fiscal measures to United States citizens.

114. Although, as has been explained, Morocco is divided into three zones for administrative purposes, the sovereignty of the Sultan over the territory as a whole has not been prejudiced. As regards the customs, Morocco must be regarded as an economic unity; the customs regulations of the French Zone recognise this principle, and article 13 of the Franco-Spanish Convention of 1912, which created the Spanish Zone of Morocco, and articles 20 and 21 of the Tangier Statute appear to be based on the same principle.

115. Consumption taxes are leviable in each zone irrespective of whether they have been paid in another zone. Gate taxes are levied in each zone on goods

entering by sea and on local goods. Both these taxes are dealt with in detail in subsequent portions of this memorandum.

116. Negotiations have recently taken place between His Majesty's Government and the French Government with regard to the desire of the latter to see introduced into Morocco certain measures and reforms of an economic character, and on the 29th January, 1935, an agreement was signed, in the form of exchanges of notes (Annex 1), providing for reforms of this nature in respect of the French Zone.

The broad lines of the agreement are as follows :—

(i) Quotas are to be imposed on cotton and silk goods; cement; iron and steel, and machinery; motor vehicles; tyres; refined sugar.

(ii) In return for the quota advantages, His Majesty's Government have agreed to an increase of the customs duties, at present fixed at a maximum of 12½ per cent. *ad valorem*, to a general level of 15 per cent. *ad valorem*. The duties on certain goods, of particular interest to Moroccan industry, and of comparatively little interest to United Kingdom trade, are to be raised to 25 per cent. Certain other goods are placed on the free list, and the duty on coal (other than anthracite) is to be reduced to 10 per cent. *ad valorem*.

(iii) A new system of customs valuation is to be substituted for the present system.

(iv) An assurance is given by His Majesty's Government to consider favourably requests for reciprocal advantages for Moroccan nationals or goods.

(v) The opportunity is taken to reach a practical settlement of the question of the application to British subjects of gate taxes in the French Zone (see paragraph below).

The notes are to enter into force on a date to be agreed upon between the two Governments as soon as possible after the 1st January, 1935.

117. It is stated in the notes that the acceptance of His Majesty's Government "only extends to the particular measures . . . . specified, and does not extend to any alteration of these measures, and is, moreover, conditional upon all the measures specified being put into force. . . . His Majesty's Government's acceptance of these measures is given by His Majesty's Government in waiver of their treaty rights, and in no way prejudices the assertion of these rights as regards any measures other than those specified. . . ." The French Government likewise reserved their point of view as regards treaty rights.

118. The principal treaty provisions which the proposed changes touch upon are :—

(i) *As regards Customs Duties.*—Article 7 of the Anglo-Moroccan Commercial Convention of 1856, limiting import duties to 10 per cent. *ad valorem*. The French Government have contended in the past that, as a result of the accession of the United Kingdom to the Franco-German Convention of 1911, or, alternatively, to the Franco-Moroccan Protectorate Treaty of 1912, Morocco has acquired the right to complete tariff autonomy. His Majesty's Government have resisted this contention (see paragraphs 126, 128–130, 161–164). The agreement with the French Government of the 29th January last, in which His Majesty's Government give their consent to certain tariff changes, may be taken as tending to confirm the treaty rights of His Majesty's Government by constituting a virtual admission by the French Government that they were not able to impose such changes without the consent of His Majesty's Government.

(ii) As regards *quotas*, the position is not so clear.

(*a*) It might be held that article 6 of the United Kingdom Commercial Convention of 1856, under which merchandise imported by British subjects may not be prohibited, provides a basis for protesting against the introduction of quota restrictions without the consent of His Majesty's Government. As, however, quota restrictions were not known at the time the convention was concluded, it is not certain whether such a contention would succeed in an international court.

(*b*) The introduction of quota restrictions appears to be contrary to the principle of "economic liberty," which is referred to in the preamble to the Act of Algeciras, and more specifically reserved in the Franco-German Convention of

1911. It must be admitted, however, that these words are vague and general and might not alone be sufficient to support a case against quota restrictions. Here again, the consent given by His Majesty's Government to the introduction of specific quotas would strengthen the case for resisting the introduction of further quota restrictions without their consent.

119. In considering the position of other Powers, it appears at first sight that the French Government are bound only to obtain the consent of His Majesty's Government (Anglo-Moroccan Commercial Convention of 1856) and of the Spanish Government (Spanish-Moroccan Treaty of 1861) for the introduction of increased customs duties. (It should also be noted that in the Franco-Italian agreement relative to Libya and Morocco of the 28th October, 1912 (see paragraph 94 above), Italy agreed not to raise any obstacle to any of the measures which France may judge opportune to issue in Morocco.) It might, however, be contended (*a*) that all the Powers which have most-favoured-nation rights, either through separate treaties (*e.g.*, Italy, Switzerland, United States of America, Denmark, Belgium, the Netherlands), or through the Madrid Convention of 1880 (*e.g.*, also Norway, Portugal, Spain and Sweden), can rely on the British and Spanish treaties until they are abrogated, as a waiver is not an abrogation; (*b*) that article 66 of the Act of Algeciras shows that the 10 per cent. limit has become part of the general Algeciras system for Morocco; (*c*) that increased import duties, unless accepted by all the signatories of the Act of Algeciras and not only by certain of them for their own benefit, infringe the principle of equality laid down in the preamble of the Act. It has also been pointed out (paragraph 118 (ii)) that quota restrictions may possibly be considered to infringe not only article 6 of the Anglo-Moroccan Commercial Convention of 1856, but also the principle of economic liberty laid down in the preamble to the Act of Algeciras and in the Franco-German Convention of 1911, to which most of the Algeciras Powers have acceded.

120. It would, therefore, be open to all the above Powers, in the event of France failing to obtain their consent before introducing increased tariffs or quotas, to bring a case before the Permanent Court of International Justice. As regards the Act of Algeciras, the fact that the French Government had considered it necessary to obtain the consent of His Majesty's Government to the introduction of the measures would tend to strengthen the case of the Algeciras Powers against them.

121. The French Government are endeavouring to obtain the consent of the other Powers concerned to the new economic reforms.

122. Having regard to the customs unity of the Moroccan Empire (paragraph 114 above), it is proposed eventually to conclude, in respect of the Spanish Zone, an Anglo-Spanish exchange of notes on lines similar to the Anglo-French exchange of notes, and also, as provided for in the Anglo-French exchange of notes, to extend eventually to the Tangier Zone the new increased customs duties. It is also proposed that the Anglo-Spanish exchange of notes should embody a practical settlement of the outstanding consumption duties in the Spanish Zone now in dispute, in the same way as the Anglo-French exchange of notes have provided a practical settlement of the gate taxes in the French Zone.

II.—*Consumption Duties in the French Zone.*

123. As already observed, the official French thesis as regards the overriding effects of the Franco-German Convention of 1911 on previous treaty stipulations has been advanced in the diplomatic correspondence regarding consumption duties.

124. In 1914 His Majesty's Government were informed of a proposal of the authorities in the French Zone to impose a consumption duty on sugar. British interests were not appreciably affected, and there was, therefore, no desire to embarrass the French Government by protesting against its imposition. His Majesty's Ambassador at Paris was instructed to inform the French Government, however, that His Majesty's Government must "in principle reserve all the commercial privileges which they enjoy under existing treaties with Morocco, which privileges are in no way diminished by their recognition of the French protectorate" (Annex 2).

76389/27006/1914

125. In their reply of the 8th January, 1915, the French Government stated that they had no intention of submitting British subjects in Morocco to any measure which deprived them of such privileges without the prior consent of His Majesty's Government. This had been the procedure in the case of the tax on alcohol. If the Shereefian Government did proceed with the proposed tax on sugar it could not be exacted from British subjects unless with the consent of His Majesty's Government (Annex 3). 5795/5795/1915

126. In a note of the 24th July, 1915, the French Government informed His Majesty's Government of the decision to introduce the sugar tax and, as British interests were not appreciably affected, they trusted that His Majesty's Government would not object. Another reason for counting upon the consent of His Majesty's Government was that " l'adhésion du Gouvernement britannique aux réformes de tout ordre que nous introduisons au Maroc doit être considérée en droit comme accordée une fois pour toutes par la reconnaissance faite le 19 décembre dernier du Traité de Protectorat français sur le Maroc. Le Gouvernement du Roi a également adhéré, au moins implicitement, au Traité franco-allemand du 4 novembre 1911; . . . . Il est superflu de rappeler que les deux actes précités stipulent dans leur article 1er le pouvoir réglementaire absolu du représentant de la République au Maroc." After comparing the British position in Egypt with the French position in Morocco, the French Government went on to state that " nous avons consenti, tant que le *statu quo* ne serait pas modifié en Egypte, à prévenir le Gouvernement britannique de nos intentions de réformes au Maroc, confiants qu'il n'y refuserait pas un assentiment qu'en droit strict nous ne nous croyons pas tenus de provoquer " (Annex 4). In informing the French Government that His Majesty's Government agreed to the imposition of the sugar tax, His Majesty's Ambassador at Paris was instructed to add that, as regards the general questions raised in M. Delcassé's note of the 24th July, 1915, His Majesty's Government had certainly recognised the French protectorate in Morocco, but that they felt confident the French Government would agree that it was better to leave till quieter times the discussion of the renunciation of British and French extra-territorial treaty rights and jurisdiction in Morocco and Egypt respectively (Annex 5). 103648/5795/1919

127. The French view is also expounded in reply to certain reserves made by the Italian representative at Tangier in connexion with the consumption tax on sugar. It is not known what form the Italian representations took, but the reply of the French Resident-General of the 10th January, 1916, is annexed (Annex 6). The French Resident-General based his attitude on articles 1 and 4 of the Franco-German Convention of 1911, and on the passage in the explanatory letters annexed to the convention (see paragraph 71 above), where it is stated that " l'adhésion . . . . accordée d'une manière générale . . . . par l'article 1er de ladite convention, s'applique naturellement à toutes les questions donnant matière à réglementation et visées dans l'Acte d'Algésiras." It was agreed that the protectorate had thus " l'autonomie douanière comme l'autonomie fiscale," and the accession of the Italian Government precluded all right to object to the imposition of such taxes.

128. The imposition in the French Zone in 1919 of further consumption taxes on tea, coffee, chicory, &c., raised again the question of principle, and on instructions from His Majesty's Government, His Majesty's Ambassador at Paris and His Majesty's agent at Tangier addressed representations to the French Government and to the Resident-General at Tangier respectively (Annexes 7 and 8). These representations took the line that by the Anglo-Moroccan Commercial Convention of 1856, supplemented by article 66 of the Act of Algeciras, the maximum customs duty on goods imported by British subjects is 12½ per cent. *ad valorem*, and a tax on the same goods, amounting to an increase in the import duty, required the previous consent of His Majesty's Government. The instructions referred to M. Delcassé's notes of the 8th January and the 24th July, 1915, and pointed out that most of the rights enjoyed by British subjects under the treaty and convention of 1856 and the Act of Algeciras fell under one or other of the categories of questions over which the French Government claimed to possess absolute power, as a consequence of their convention with Germany of 1911 and the protectorate treaty with Morocco of 1912. If the French contention were admitted, the British treaty would no longer exist—a view which His Majesty's Government could not countenance. It was a recognised principle that when a third party assents to a protectorate of one State over another, the protected State is not thereby absolved from any treaty 128301/51217/1919

obligations which it may have incurred towards the assenting Power. The French Government themselves had adopted this attitude in regard to their treaty rights in Zanzibar. As showing that the French Government had not been consistent in their attitude, the instructions referred to certain articles in the draft convention relating to Morocco and Egypt (see paragraphs 97–99), negotiated by the French and British Governments in 1918–19, including article 5, which specifically maintained in force the Commercial Convention of 1856, and could not have been regarded by the negotiators as a dead letter. His Majesty's Government, therefore, found it necessary to protest against the imposition of the dues without their previous agreement having been formally requested and obtained, and regarded the goods imported by British subjects as exempt from their incidence.

129. In their reply of the 21st November, 1919 (Annex 9), the French Government again asserted that, by virtue of the treaties of the 4th November, 1911, and the 30th March, 1912, the Shereefian Government, " est maître de ses tarifs douaniers," subject to the principle of economic equality, although it was not then intended to use this power. The new taxes were not customs duties, but internal consumption taxes applicable to colonial products of any origin. The French Government agreed, however, that as Great Britain had not renounced her capitulatory privileges, the dahir in question could not be enforced on British subjects until made applicable to them by King's Regulations. Meanwhile, instructions were being sent to the Resident-General not to levy the tax on the goods imported by British subjects for their personal consumption, but this exemption would not apply to goods imported for their commercial clientèle, as this would be contrary to the principle of economic equality. 155305/51217/1919

130. On the 20th February, 1920, His Majesty's Embassy at Paris addressed another note to the French Government (Annex 10) reiterating the arguments in the Embassy's note of the 8th November, 1919 (Annex 7), which had not been refuted by the French Government. The duties themselves were a matter of relatively slight importance, and His Majesty's Government had no wish to embarrass the Protectorate authorities in raising the funds necessary for the proper administration of the zone. The French Government, however, not merely requested, but claimed as a right that the duties should be made applicable to British subjects regardless of the treaties of 1856 and the Act of Algeciras, and His Majesty's Government were therefore obliged to insist on the obvious fact that the treaties of 1856 and the Act of Algeciras and all others signed by Great Britain before the Franco-Moorish Treaty of 1912, unless and until they were specifically modified or abrogated, remained in force. As regards the distinction between goods imported by British subjects for their household consumption and those imported for their commercial clientèle, His Majesty's Government considered that article 7 of the Commercial Convention of 1856 and article 66 of the Act of Algeciras, expressly preclude the imposition of duties in excess of 12½ per cent. *ad valorem* on any goods imported by British subjects, whether for their own consumption or for that of their clientèle. A 1484/638/28/1920

131. A misunderstanding then arose as a result of which the French Government were under the impression that permission had been given by His Majesty's Government for the application of the new consumption taxes to British subjects, whereas the permission given had reference only to certain new customs regulations regarding ship's stores at the ports (see Annexes 11–14). On being informed of the real position and that His Majesty's Government maintained their previous attitude, the French Government, in a note of the 23rd March, 1920, made an appeal to the friendship of His Majesty's Government, and referred to the French attitude in Egypt. " Le Gouvernement de la République ne doute pas que le Gouvernement de Sa Majesté ne s'emploie à rendre possible à la Puissance protectrice du Maroc l'exercice de ses droits dans ce pays comme le Gouvernement de la République fait en Egypte en ce qui concerne les mesures édictées par le Haut-Commissariat britannique ou par l'autorité militaire britannique " (Annex 15). A 700/700/28/1920 A 1217/638/28/1920

132. About this time, His Majesty's Government were considering a modification of their attitude. In a letter to the Board of Trade of the 18th March, 1920, it was pointed out that the French Government were adopting a reasonable attitude as regards the application of certain duties to French citizens in Egypt. His Majesty's Government held, nevertheless, that just as the Egyptian Government must hold themselves bound to obtain the consent of the A 1227/638/28/1920

French Government to legislation affecting the rights of French citizens under the Capitulations, so the French Government were under similar obligations in Morocco. Despite this, however, the Foreign Office did not consider it advisable that the theoretical right of British subjects to be relieved, by virtue of the Capitulations and the Act of Algeciras, from obligations which fell on French and other nationals in Morocco, should in practice be generally insisted on. There was no reason, apart from treaties, why British subjects should not pay the taxes which others paid, and the benefits of which were shared by the community at large. It might be necessary to withhold King's Regulations in order to emphasise a point of principle or to resist a tax aimed obviously at British interests in particular, but save in such exceptional cases it was felt that it would be advantageous if taxation in Morocco were made binding on British subjects with the least possible delay.

A 1949/1959/638/28/1920

133. These considerations, together with the fact that the refusal of His Majesty's Government to admit the application to British subjects of the consumption duties on tea, coffee, spices, &c., had been maintained long enough to constitute an effective protest against the manner in which those duties were imposed, led His Majesty's Government to propose a solution of the dispute, which was put to the French Government in August 1920 (Annexes 16 and 17).

A 3259/638/28/1920

134. This proposal was that taxation imposed in Egypt and Morocco should so far as possible be applied to French and British nationals, *pari passu*, and His Majesty's Government expressed willingness to impose new duties on British subjects in Morocco as and when similar duties became operative as regards French citizens in Egypt. (The particular duty then in question was that on alcohol.) The French Government replied, however, that the application of taxes to British subjects in Morocco should take effect as soon as the French Government agreed to the application to their own nationals of taxes in Egypt, irrespective of the attitude of third Powers in Egypt (enclosure in Annex 17).

A 6383/638/28/1922

135. The argument on this point was not pursued. As regards the Egyptian duty on alcohol, the assent of all the Powers concerned was obtained and the duty imposed. Accordingly, in June 1921, instructions were given by His Majesty's Government that the increased consumption duty on alcohol in Morocco should be made applicable to British subjects.

W 5005/6194/1416/28/1921

136. Early in 1922 His Majesty's Government learned that British subjects were actually paying the increased consumption duty on sugar and the duty on candles, which had not yet been made applicable to them by King's Regulations. Payment of the duties was made at the Customs, together with import duty, and goods could only be withdrawn from the Customs on production of a receipt for import duties, consumption duties and aconage charges. The refusal of His Majesty's Government to make the duties applicable to British subjects appeared, therefore, to be of no real utility. Moreover, the duties in themselves were not unreasonable. It was decided, therefore, to make these duties applicable to British subjects, and King's Regulations were accordingly issued (Nos. 1 and 2 of 1922).

W 782/782/28/1922

W 1133/782/28/1922

137. The French authorities in Morocco were also showing a tendency to consult His Majesty's Government before the actual publication of the dahirs. This was done in the case of the duty on sugar and candles referred to above (see Marshal Lyautey's note of the 30th June, 1921, Annex 18), and it was also done in January 1923, when an enquiry was made (see Annex 19) whether His Majesty's Government would be prepared to assent to a proposed dahir increasing the consumption duties on sugar, tea, coffee and pepper, and make them applicable to British subjects. As regards the latter, it was decided to make a virtue of necessity, and the dahir was made applicable to British subjects by King's Regulations (Nos. 1 and 4 of 1923). At the end of 1924, however, the French authorities abandoned the procedure of informing His Majesty's Government before the issue of a dahir. In December the French Resident-General at Rabat communicated to His Majesty's consul-general two dahirs increasing the consumption duties on alcohol and sugar, which were to be put into operation immediately. The Resident-General admitted that the consent of His Majesty's Government was legally necessary to make the duties applicable to British subjects, but said that they would, nevertheless, be collected at once, though an exception might be theoretically possible as regards goods imported by a British subject for his personal use, and he considered this action was justified having regard to what

W 7554/1416/28/1921

W 303/503/193/28/1923

W 10743/10765/11285/10743/28/1924

had passed when the question was thrashed out between the two Governments in previous years (see Annex 20). His Majesty's consul-general, on instructions from the Foreign Office, pointed out to the French authorities, in a note of the 7th January, 1925 (see Annex 21), that while His Majesty's Government endeavoured to co-operate with the French Administration by applying reasonable taxation to British subjects, they did not admit and had never admitted, the right of the French authorities to anticipate their consent. As the duties were not open to objection in themselves, King's Regulations were issued making them applicable to British subjects.

W 10765/11287/10743/28/1924

W 518/518/28/1925

138. Similarly, a dahir of the 6th January, 1926, imposing consumption duties on petrol, rubber tyres, playing-cards and matches was made operative prior to its notification to His Majesty's consul-general at Rabat, and Sir A. Ryan again drew the attention of the Resident-General to the attitude taken up by His Majesty's Government in regard to their consent being anticipated by the French authorities. The tax was made applicable to British subjects by King's Regulation, but in a note to the Resident-General regarding the King's Regulation, Sir A. Ryan made a reservation, worded in wide terms, concerning the innovation introduced by extending the new tax to already existing stocks. Sir A. Ryan's reservation was to the effect that the decision of His Majesty's Government in this particular case was not to be considered as a precedent for the future. "S'il était saisi d'autres demandes en vue d'étendre à ses ressortissants de nouvelles taxes de consommation futures, *le Gouvernement britannique garderait sa pleine liberté d'appréciation et d'action tant en ce qui concerne les taxes elles-mêmes* qu'en ce qui concerne leur applicabilité aux stocks."

W 778/778/28/1926

W 5190/778/28/1926

139. In 1930 a dahir was issued imposing certain consumption duties in the French Zone. The provisions of the dahir relating to soya-bean oil and to frozen meat appeared to constitute both discrimination against products from abroad and a real measure of protection for local products. Accordingly, the French protectorate authorities were informed (see Annex 22) that, although His Majesty's Government were prepared to apply the dahir to British subjects, they did not feel they could do so until they were convinced that British interests would not be prejudiced. The manner in which the soya-bean oil and frozen meat duties appeared to be discriminatory and protective was explained to the French authorities and a request made that the dahir should be amended. Satisfactory modifications were made and an amending dahir issued which His Majesty's Government were able to apply to British subjects by King's Regulation.

W 9727/6730/28/1930

W 11884/12930/6730/28/1930

140. A dahir of the 4th June, 1929 (supplemented by a later one of the 1st June, 1933), prohibited the import of cereals into the French Zone except by special permit in the event of local supplies being insufficient. In the view of His Majesty's Government this prohibition was contrary to the principle of commercial liberty and the "open door" in Morocco and in contradiction to articles 2 and 6 of the Commercial Convention of 1856. In a note of the 10th June, 1929, His Majesty's consul-general at Rabat made express reserves regarding the application of the dahir to British subjects on this basis (see Annex 23), and on the 11th July, 1929, His Majesty's Ambassador at Paris was instructed to lodge a protest with the French Government on the same grounds (see Annex 24). The French Government justified their action by contending that it was necessary in order to safeguard the vital interests of the country, a principle that was embodied in the Geneva Convention of 1927 regarding import and export prohibitions. "Si une telle restriction est admise d'une manière générale par la Convention de Genève de 1927, *a fortiori* doit-elle être acceptée à l'égard d'un pays dont la production ne bénéficie d'aucune protection, hormis un droit de douane fixé *ne varietur* à 10 pour cent, auquel s'ajoutent 2½ pour cent *ad valorem* perçus au titre de la taxe spéciale" (see Annex 25). As it appeared to be the fact that the prohibition was in the best interests of Morocco, and as British interests appeared to be only slightly affected, His Majesty's representative at Paris was instructed to inform the French Government (see Annex 26) that, while still of the opinion that the dahir was a violation of the convention of 1856, His Majesty's Government were anxious not to cause the French Government any embarrassment in Morocco and were willing to waive their objections, provided that their action did not constitute a precedent and

W 3777/421/28/1931

File W 5683/5683/28/1929

W 9038/5683/28/1929

that the principle of commercial equality and of the "open door" was maintained.

W 10341/4833/28/1933
W 3896/3896/28/1934
W 9623/10498/3896/28/1934

141. An attempt was made to obtain from the French protectorate authorities an assurance to the effect that the prohibition was provisional only, and that a certain quantity of British fine flour should be allowed for the year 1934. As, however, there appeared no likelihood of obtaining this assurance, His Majesty's consul-general at Rabat was instructed in November 1934 to state that His Majesty's Government only waived their request in order not to embarrass the protectorate authorities, and reserved the right to reopen the matter should any foreign fine flour be permitted to enter at any future date. When making this statement, His Majesty's consul-general also intimated that His Majesty's Government were prepared to issue a King's Regulation if the authorities so requested. No such request was made, but a King's Regulation (No. 1 of 1935) was issued in February 1935 covering the dahirs in question.

W 1208/1208/28/1935

142. Dahirs of the 13th July, the 21st August and the 15th November, 1933, and of the 23rd May and the 22nd November, 1934, were also issued dealing with the establishment of a wheat fund ("caisse du blé") and imposing taxes for the benefit of the fund on the principal cereals, both on import and export. On instructions from the Foreign Office, His Majesty's consul-general at Rabat pointed out to the protectorate authorities in November 1934 that His Majesty's Government took particular exception to the provisions which imposed import duties on wheat and other cereals, contrary to article 7 of the Anglo-Moroccan Commercial Convention of 1856. At the same time he intimated the willingness of His Majesty's Government to issue a King's Regulation on a request being made therefor. No such request was made by the French authorities, but a King's Regulation (No. 2 of 1935) was issued in February 1935 covering all the dahirs in question.

W 9593/10571/3896/28/1934
W 1243/1208/28/1935

143. It should be borne in mind in connexion with the issue of King's Regulations Nos. 1 and 2 of 1935 above that in the interval between notifying to the protectorate authorities the willingness of His Majesty's Government to issue the regulations on a request being made and their actual issue, His Majesty's Government concluded the agreement of the 29th January, 1935, with the French Government, one of the objects of which was to clear the ground of outstanding matters at issue in respect of the French Zone.

144. The above account deals only with consumption duties which have given rise to controversy regarding treaty rights. The following schedule contains a list of dahirs issued and of the corresponding King's Regulations.

Date of dahir or "arrêté."	Commodities.	Date of King's Regulation.
Oct. 18, 1914	Alcohol	April 22, 1915.
Dec. 12, 1915	Sugar	June 5, 1916.
June 2, 1916	Alcohol (amendment)	October 23, 1916.
Nov. 24, 1916	Alcohol (amendment)	July 25, 1917.
Nov. 23, 1917	Sugar (amendment)	April 8, 1918.
Mar. 6, 1920	Alcohol (amendment)	July 11, 1921 (published August 30, 1921).
July 5, 1921	Sugar (amendment)	March 20, 1922 (published April 12, 1922).
July 5, 1921	Candles	March 20, 1922 (published April 12, 1922).
Jan. 21, 1922	Beer	January 22, 1922 (published May 19, 1922).
Mar. 18, 1922	Beer (amendment)	April 13, 1922 (published July 17, 1922).
Oct. 1, 1917	Sugar, goods containing sugar, saccharine, &c.	February 10, 1923 (published April 27, 1923).
June 8, 1922		
June 8, 1922		
Jan. 8, 1923		
Jan. 13, 1923		
Aug. 25, 1919	"Colonial Produce" (tea, coffee, chicory, &c.)	February 10, 1923 (published May 23, 1923).
Jan. 8, 1923		
Aug. 11, 1923	Alcohol (wines, vermouth, &c.)	October 29, 1923 (published December 20, 1923).
Dec. 4, 1924	Alcohol (amendment)	March 25, 1925.
Dec. 4, 1924	Sugar, goods containing sugar, saccharine, &c. (amendment)	March 26, 1925.
Jan. 6, 1926	Petrol essences, rubber tyres, inner tubes, playing-cards and matches	May 27, 1926.

Date of dahir or "arrêté."	Commodities.	Date of King's Regulation.
Nov. 24, 1927	Alcohol, wines, vermouth, &c.	May 10, 1928.
Jan. 10, 1928	Sugar, goods containing sugar, chocolate and cocoa	May 21, 1928 (duties payable as from date of King's Regulation).
June 20, 1930 Dec. 28, 1930	Sugar, goods containing sugar, tea, chocolate, petrol essences, rubber tyres, inner tubes, lubricating oils, vegetable oils and frozen meat	March 28, 1931 (*partly* applicable only as from date of King's Regulation).
Sept. 14, 1932	Ditto. (amendment)	February 1, 1933 (applicable as from September 14, 1932.
Nov. 3, 1932	Wheat	April 6, 1933.
June 4, 1929 June 1, 1933	Import of cereals	February 4, 1935.
July 13, 1933 Aug. 21, 1933 Nov. 15, 1933 May 23, 1934 Nov. 22, 1934	Wheat Fund	February 5, 1935.

N.B.—In addition to those listed above, there have been a number of amending dahirs and "arrêtés" in respect of which there were at the time no corresponding King's Regulations. These deal with modifications in the rates of duties, the classification of various products, &c. The only products not included in, or related to, commodities mentioned in the schedule are explosives, in respect of which consumption duties were levied by "Arrêté viziriel" of the 12th January, 1922, for which no corresponding King's Regulation was issued.

III.—*Consumption Duties in the Spanish Zone.*

145. Consumption duties were first imposed in the Spanish Zone by a dahir dated the 27th February, 1922, which referred to the measure as an "internal tax upon the consumption of sugar, tea and coffee . . . . which shall be leviable from the moment of the importation of the said products into the zone." The Spanish Government, instead of approaching His Majesty's Government when the dahir was issued, in order that it might be made applicable to British subjects and protected persons, waited until the 1st November to do so, and in the intervening period the Spanish authorities attempted to levy the new duties on British-protected persons. On the 21st December, 1922, a note (see Annex 27) was sent to the Spanish Ambassador protesting against the illegal practices of the Spanish authorities, but expressing readiness to issue a King's Regulation, with effect from the date of issue, as soon as goods illegally detained by the Spanish authorities had been released unconditionally. Further difficulties arose owing to the failure of the Spanish authorities to refund in full the deposits paid by British subjects and protected persons in order to secure the release of their goods, and a note was sent to the Spanish Ambassador on the 3rd April, 1923, again protesting against the practices of the Spanish authorities and making it clear that His Majesty's Government would not issue the necessary King's Regulation until satisfaction was obtained. The necessary instructions were sent to the Spanish authorities (see Annexes 28–30). On the 22nd June, 1923, His Majesty's agent reported that, the full amounts deposited having been refunded, he had that day issued a King's Regulation applying the dahir to British subjects and protected persons, with effect as from that date.

W 10151/6578/28/1922
W 2375/1928/28/192[illegible]

146. Meanwhile, on the 15th June, 1923, the attention of the Spanish Ambassador had been called to the fact that His Majesty's Government had received from the Spanish Government no official notification of, or a request to apply to British subjects, a further dahir imposing a consumption duty on alcohol in the Spanish Zone, thereby implying that His Majesty's Government were prepared to issue a King's Regulation provided the necessary formalities were carried out. In this case also the Spanish authorities had endeavoured to make the tax applicable to British subjects, and in notes of the 22nd May, 1923, and the 22nd June, 1923 (see Annexes 31 and 32), His Majesty's vice-consul at Tetuan

W 4950/1928/28/1923
W 4620/1928/28/1923

made it clear that His Majesty's Government could not consent to the collection of this tax from British subjects prior to the issue of a King's Regulation and unless the sums already paid by British subjects were refunded. On the 9th July, 1923, the Spanish Ambassador addressed a note to the Foreign Office (Annex 33) asking that the dahir imposing the duty on alcohol might be applied by King's Regulation to British subjects and protected persons, on receipt of which instructions were sent to his Majesty's agent at Tangier to prepare a draft King's Regulation.

W 4829/1928/28/1923

W 5554/1928/28/1923

147. Before action was taken, the question arose as to whether or not United States and Netherlands nationals and protected persons were exempt from the payment of consumption duties, and it was ascertained from His Majesty's agent at Tangier that, while the duties on sugar, coffee and tea had been rendered applicable to such nationals and protected persons, nothing had been settled as regards their payment of the duty on alcohol. On the 27th December, 1923, a note was addressed to the Spanish Chargé d'Affaires (Annex 34) stating that His Majesty's Government, in view of the non-application of the tax on alcohol to United States and Netherlands nationals, hesitated to proceed definitely with a step that would place British subjects at a disadvantage compared with other foreign nationals in the same position; and this was followed by a note of the 22nd January, 1924 (Annex 35), stating that, while His Majesty's Government were anxious to meet the request of the Spanish Government, they would not feel justified in applying the tax on alcohol to British subjects at that moment in view of the facts that there were still outstanding at Tetuan certain deposits improperly levied from British subjects and protected persons, and that no requests had been addressed by the Spanish Government to the United States and Netherlands Governments to make the tax applicable to their nationals.

W 8047/1928/28/1923

W 9681/1928/28/1923

W 343/343/28/1924

148. On the 11th September, 1924, the Spanish Embassy called attention to the introduction of further taxes in the Spanish Zone, including a consumption tax on beer, and expressed the hope that there would be no impediment to their application to British subjects and protected persons; they added that their Government proposed shortly to institute certain other consumption taxes on a small number of additional articles, including candles. The Foreign Office enquired whether the United States and Netherlands Governments had been similarly approached. It was learned subsequently that the Spanish authorities were collecting the tax on beer from British subjects, and it was decided that, pending a definite decision, British subjects should be advised to pay under protest and that the Spanish authorities should be informed that His Majesty's Government would claim a refund of such illegally levied moneys. After much delay in securing a refund from the Spanish authorities for amounts illegally levied, King's Regulations were issued on the 28th November, 1925, applying the duties on both alcohol and beer to British subjects and protected persons (see correspondence in Annexes 36 and 37). As regards the duty on candles, this was made applicable to British subjects and protected persons by King's Regulation issued on the 30th December, 1927, after an exchange of notes between His Majesty's consul at Tetuan and the Spanish Delegate-General (see Annexes 38, 39), by which the latter agreed to refund amounts illegally levied and also to apply the dahir to candles which might in the future be manufactured in the Spanish Zone.

W 7883/343/28/1924

W 8258/3435/28/1924

W 11033/1562/28/1925

W 139/139/28/1928

149. In February 1930 the Spanish Government drew the attention of His Majesty's Ambassador at Madrid to a series of new dahirs, including some relating to consumption taxes, and asked that the necessary measures might be taken by His Majesty's Government to make them applicable to British subjects and protected persons (see Annex 40). Instructions were sent to His Majesty's consul at Tetuan to issue the necessary King's Regulations, and His Majesty's Ambassador at Madrid informed the Spanish Government accordingly (see Annex 41). This was the first occasion on which His Majesty's Government had failed to stipulate that the Spanish authorities should first refund the amount of taxes illegally collected from British subjects and protected persons. The departure from precedent had, however, been noticed by His Majesty's consul-general at Tangier, who had, on his own authority, instructed the acting British consul at Tetuan to adopt the procedure normally followed, and to make the issue of the King's Regulations contingent upon the settlement of claims for refunds. The Spanish authorities, however, believed, or affected to believe, that the acting British consul was acting without instructions in delaying the issue of the King's Regulations pending a settlement of the claims, and showed no disposition to make

W 1714/1027/28/1930

W 4850/1027/28/1930

W 8201/1027/28/1930

the required refund. It was, therefore, decided to inform the Spanish Government officially that the issue of the King's Regulations would be delayed accordingly; this was done in a note from His Majesty's Ambassador at Madrid. Subsequently, the Spanish authorities having continued in their refusal to make the desired refunds, the whole question was reconsidered by the Foreign Office, when the following considerations were taken into account:—

W 9195/1027/28/1930

(*a*) The suspension of the issue of the King's Regulations, pending satisfaction of the claims, might result in the accumulation of the latter over a long period, and, consequently, it would probably prove necessary, in order to settle the claims, and at the same time to maintain the legal rights of His Majesty's Government, to make the eventual King's Regulations retrospective to the date when it was first decided to issue them.

(*b*) The Spanish authorities had been successfully levying the duties on British subjects without King's Regulations having been issued—an undesirable situation.

(*c*) It was more important that His Majesty's Government's extra-territorial rights should be preserved than that the claims of British subjects, which, though legally good, had no particular merit, should be promptly met.

W 9649/1027/28/1930

150. After consultation with His Majesty's consul-general at Tangier it was decided to issue King's Regulations, antedated to the 19th June, 1930, making applicable to British subjects the consumption duties on sugar, matches, colonial articles and wines, and not to make this action dependent upon the prior settlement of claims for refunds. His Majesty's consul-general at Tangier was informed accordingly, and asked to instruct His Majesty's consul at Tetuan so to inform the Spanish authorities, stating that His Majesty's Government had been influenced in their decision by their desire to prove agreeable to the Spanish Government and to avoid the possibility of British subjects being placed in an unduly advantageous position, but that they could not admit that duties could be levied on British subjects until the issue of King's Regulations. At the same time it was decided to take up the claims for refunds for the period prior to the 19th June, 1930, with the Spanish Government direct, and to urge them in future to arrange for due warning to be given to His Majesty's Government of the issue of such dahirs, in order to enable King's Regulations applying them to British subjects to be issued simultaneously in all cases where the dahirs did not appear to be either protective or discriminatory. The Spanish Government expressed their inability to meet the claims, on the grounds, firstly, that such action would confer an extraordinary advantage upon British subjects and protected persons, and, secondly, that it was the consumer, not the British trader, who really paid the tax. In view of the attitude of the Spanish Government and of the facts that most of the goods on which the duties were imposed were of foreign, rather than of British, origin, and that in the French Zone corresponding King's Regulations were always issued after the entry into force of such dahirs and antedated, the question was considered of antedating the four King's Regulations to the 15th January, 1930, the date of the issue of the dahirs in the Spanish Zone. His Majesty's consul-general at Tangier, in view of the determination of the Spanish Government at that time to do their utmost to undermine the capitulatory régime, deprecated the action suggested, and advanced the proposal that the claims should be held in reserve as a future bargaining asset; this policy was adopted, the four King's Regulations were not further antedated, and nothing more was said to the Spanish Government.

W 11172/1027/28/1930

W 1541/501/28/1931

W 3225/501/28/1931

151. By a dahir of the 31st March, 1934, a tax on imported wheat and flour described as a "consumption tax," although not applied to goods produced locally, was imposed; no request was received from the Spanish authorities for the issue of a King's Regulation, and protests were made in writing by His Majesty's consul at Tetuan. The Foreign Office took the view that, while the British commercial interest did not appear to be substantial, the tax was tantamount to an increase in the import duty above the maximum sanctioned by treaty, and it was desirable to maintain the principle that customs duties on goods imported into Morocco could not be so increased without the consent of His Majesty's Government. The dahir of the 31st March was subsequently modified by a dahir and Vizirial decree of the 20th September, 1934, but retained the

W 6647/4202/28/1934

features of the previous dahir, to which His Majesty's Government took exception.

On the 29th June, 1934, twelve further dahirs were issued, four of which imposed new taxes, the remaining eight increasing the taxes already in force. All were described as "consumption taxes," although in two cases only (alcohol and candles) was local produce affected, so that again the action of the Spanish authorities amounted in practice to an increase in the customs duties. His Majesty's consul at Tetuan protested both orally and in writing to the Spanish High Commissioner against the general application of these measures before the consent of His Majesty's Government had been obtained, and also against the discriminatory nature of certain of the duties.

W 7075/4202/28/1934

152. On the 22nd January, 1935, the Spanish High Commissioner addressed a note to His Majesty's consul at Tetuan (Annex 42), in which the following contentions were advanced in defence of the dahirs above referred to :—

W 1181/29/28/1935

(*a*) The world economic situation might be held to justify the overriding of treaty stipulations in the interests of the common good.

(*b*) The dahirs applied to the trade of all countries, and therefore did not violate the Anglo-Moroccan Commercial Convention of 1856 or the Act of Algeciras, which laid down the principle of economic equality.

(*c*) Prohibitions of import, if of general application, did not infringe the British Commercial Treaty of 1856 or the principle of economic liberty without inequality in the Act of Algeciras. Such measures had been taken in the French Zone.

(*d*) State monopolies were held to be customary in international relations.

W 1791/29/28/1935

153. As this note revealed an unsatisfactory attitude on the part of the Spanish authorities, His Majesty's Ambassador at Madrid and His Majesty's consul at Tetuan were instructed, on the 2nd March, 1935 (Annex 43), to make formal protests to the Spanish Government against the dahirs issued on the 29th June, 1934, which, with one exception, imposed taxes on imported goods only, and against the dahir and Vizirial decree of the 20th September, 1934, which imposed a consumption tax on imported wheat, flour and its derivatives. The view of His Majesty's Government was that the taxes either involved an increase in the customs duties, contrary to article 7 of the Anglo-Moroccan Commercial Convention of 1856, as modified by article 66 of the Act of Algeciras, or represented an increase in internal duties contrary (as regards enforcement on British subjects) to article 4 of the Anglo-Moroccan General Treaty of 1856. A note on the above lines, and an aide-mémoire stating the assurances required by His Majesty's Government before the necessary King's Regulations could be issued, were left at the Spanish Ministry of State (see Annex 44). It was, at the same time, intimated to the Spanish Government that His Majesty's Government would be obliged to consider bringing the matter before the Permanent Court of International Arbitration unless their views on the matter were met. Similar representations were made by His Majesty's consul at Tetuan.

154. The following schedule includes a list of dahirs issued and of the corresponding King's Regulations, excluding those of 1934, in respect of which no King's Regulation has been issued :—

Date of dahir.	Commodities.	Date of King's Regulation.
Feb. 27, 1922	Sugar, coffee and tea	June 22, 1923.
Apl. 15, 1922	Alcohol	November 28, 1925.
Aug. 9, 1924	Beer	November 28, 1925.
Aug. 6, 1927	Sugar, coffee and tea (amendment)	November 21, 1927.
Aug. 6, 1927	Candles	December 30, 1927.
Dec. 30, 1929	Alcohol (amendment)	April 5, 1930.
Dec. 30, 1929	Petrol	September 19, 1930.
Dec. 30, 1929	Powder, ammunition and explosives	September 19, 1930.
Dec. 30, 1929	Wines	November 24, 1930 (applied as from June 19, 1930).
Dec. 30, 1929 / Jan. 20, 1930	Matches	November 24, 1930 (applied as from June 19, 1930).
Dec. 30, 1929	Spices	November 24, 1930 (applied as from June 19, 1930).
Dec. 30, 1929	Sugar, coffee and tea (amendment)	November 24, 1930 (applied as from June 19, 1930).

IV.—*Gate Tax in the French Zone.*

155. By article 13 of the Madrid Convention of 1880, "les étrangers . . . . payeront la taxe dite des portes. La quotité et le mode de perception . . . . seront . . . . l'objet d'un règlement spécial entre les représentants des Puissances et le Ministre des Affaires étrangères de Sa Majesté chérifienne. Ladite taxe ne pourra être augmentée sans un nouvel accord avec les représentants des Puissances." Regulations were issued with the concurrence of the Powers on the 30th March, 1881 (*State Papers*, Vol. 72, p. 636), and on the 2nd June, 1896 (*Annuaire du Maroc*, 1905, p. 221).

156. Up to 1917 the tax was not levied in ports on goods imported by sea; it was only on leaving the ports for the interior that the tax was paid by foreign goods, and it had thus always been a purely internal duty. A dahir of the 20th April, 1917, was sent home by Sir H. White, which replaced the regulations of 1881 and 1896, the most important modification being that the tax was now to be paid at the customs-house, though on behalf of the municipal authorities, at the same time as the import duty. In a later despatch Sir H. White reported that, in accordance with article 5 of the dahir, the municipal authorities at Casablanca had considerably raised the gate tax on wool, which had called forth strong protests from British merchants. The head of the Cabinet diplomatique informed His Majesty's consul at Casablanca that the French protectorate authorities had the right to make new regulations and to modify those already existing even to the extent of modifying the tariff of taxes fixed by the Maghzen in concert with the Diplomatic Body at Tangier under the provisions of the treaties. Sir H. White deplored the apparent intention of the French to put into force measures which would be resisted in normal circumstances and to face His Majesty's Government with a *fait accompli* after the war.

106709/1917

113297/106709/1917

157. On the 2nd June, 1917, instructions were sent to Sir H. White by the Foreign Office pointing out that it was desirable to maintain British commercial rights in Morocco, and instructing him to make suitable representations pointing out the objections to the dahir. Before receiving the instructions, Sir H. White had written privately to the Resident-General saying that it was not necessary to discuss the question of principle as the views of His Majesty's Government were well known, but asking why the protectorate authorities had made such a heavy increase in the gate tax on wool without previous warning. No reply was received, and on the 25th July, 1917, Sir H. White again wrote privately to the Resident-General stating the case more fully. He quoted M. Delcassé's statement of 1915 that a tax could not be exacted from British subjects without the consent of His Majesty's Government, and added that he hoped an amending dahir would be drawn up and official conflict avoided. No reply was received.

106709/1917

W 6947/6947/28/1927

158. In February 1918 Sir H. White reported to the Foreign Office that he had received no reply to his private representations on the dahir of 1917, and proposed, in view of the lapse of time and the pending negotiations between the two countries regarding the abolition of Capitulations, that he should take no further action. This proposal was approved. No King's Regulation was ever issued.

29508/29506/1918

159. The question of the application of a gate tax in Tangier on goods entering by sea arose in 1927. His Majesty's consul-general considered that, although His Majesty's Government would be entitled to object on treaty grounds, it might be desirable to accept in the present instance, and he was authorised, in view of the urgent necessity of raising revenue, and of the fact that His Majesty's Government had tacitly acquiesced in the gate tax on goods arriving by sea in the French Zone, to raise no further objection.

W 6947/6947/28/1927

160. Further alterations were made in the gate tax as applied in the French Zone, and by a decree of the 31st July, 1933, a new tariff was introduced providing for increased duties on certain imported products. His Majesty's consul-general at Rabat pointed out that, as a result of the progressive changes, the tax has become equivalent to an additional and protective import duty. After consulting the Board of Trade, it was decided to make strong representations to the authorities of the French Zone. Accordingly, on the 28th April, 1934, His Majesty's consul-general at Rabat addressed a note (Annex 45) to the French Resident-General, which, after stating the legal position based on the Madrid Convention of 1880 and the Regulations of 1881 and 1896, went on to observe that the assent of His Majesty's Government was necessary both to the levy of the tax

W 1142/1142/28/1934

W 4246/1142/28/1934

on imported goods after their arrival in Morocco, as opposed to the levy on goods transported from one town to another, and also to any modifications of the rate of the tax as fixed by the regulations accepted by the Diplomatic Body at Tangier. His Majesty's Government were willing, in accordance with their general policy, to waive their rights to a certain extent as regards justifiable changes in the rate of the tax, and they had, in fact, agreed to certain changes of this kind in the past. But His Majesty's Government had never abandoned their rights, and could not agree to any differentiation in the levy of the tax as between imported goods and local products. Consequently, they were obliged to protest against the tariffs recently promulgated.

W 6720/1142/28/1934

161. The reply, dated the 7th July, 1934, of the French Resident-General (Annex 46) challenged the whole basis of British treaty rights in Morocco. The French contention is that article 13 of the Madrid Convention, regarding the gate tax, has lapsed, and articles 1 and 4 of the Franco-German Convention of 1911 gives France entire freedom as regards the establishment of duties and other taxes, subject to economic equality and commercial freedom. Article 13 of the convention of 1911 abrogates all contrary treaty stipulations. The Shereefian Government, therefore, considered they had an absolute right to modify the gate tax as they thought proper and of their own initiative.

162. This contention is the same as that put forward on earlier occasions by the French Government, and refuted in notes addressed by His Majesty's Ambassador at Paris to the French Government (see paragraphs 126, 128–130).

163. It was thought possible that a practical settlement of the question of the gate tax might be reached in the course of the pending general trade discussions with the French Government, but the French attitude has been to make the removal of the discrimination against imported goods in the levy of the gate tax and similar taxes dependent upon the recognition of the right of the protectorate authorities to tariff autonomy. This is, however, not acceptable to His Majesty's Government, since it is essential to maintain in principle the rights under article 7 of the Anglo-Moroccan Commercial Convention of 1856 and article 66 of the Act of Algeciras, whereby the customs duty on goods imported by British subjects into Morocco is limited to 12½ per cent. *ad valorem*. Even if His Majesty's Government admitted certain agreed increases in customs duties as part of an arrangement reached during the pending trade discussions, it would have to be made clear that such increases were to be regarded as agreed derogations from the terms of the convention of 1856.

164. On instructions from His Majesty's Government, His Majesty's Embassy at Paris, in a note of the 9th November, 1934 (Annex 47), drew the attention of the French Government to the above correspondence between His Majesty's consul-general at Rabat and the French Resident-General, and expressed the surprise of His Majesty's Government at the latter's attitude. His Majesty's Government were unable to accept any suggestion that the removal of discrimination against imported goods in the levy of the gate tax should be dependent on the recognition of the right of the protectorate authorities to tariff autonomy. His Majesty's Government had stated that they might be willing to admit certain agreed increases in customs duties, but such increases would have to be regarded as agreed derogations from the principle laid down in the Anglo-Moroccan Commercial Convention of 1856 (article 7). But, with reference to the contentions of the Resident-General, His Majesty's Government were unable to comprehend how their accession to an agreement between France and Germany could be held to modify Morocco's obligations under previous treaties, and they therefore requested the repeal of the recent illegal modification of the gate tax.

165. In their reply of the 22nd November, 1934 (Annex 48), the French Government stated that they were unable to agree that the treaties of 1904 and 1911 had no bearing on the question of the gate tax. They considered, however, that it was useless to continue the discussion on the judicial aspect, and desired to reach a practical settlement of the matter in the course of the negotiations between the two Governments regarding the introduction of certain economic reforms in Morocco (see paragraph 116 above).

166. This practical settlement is embodied in Note No. 1 (II (3)) of the agreement of the 29th January, 1935 (see Annex 1), between His Majesty's Government in the United Kingdom and the French Government on the following lines. The French Government agree to modify the vizirial decree of the 31st July, 1933 (paragraph 160 above), so that the gate taxes applicable to certain

enumerated products shall be the same as those applicable to similar local products. In return, His Majesty's Government undertake to apply the provisions of the decree as modified to British nationals, as well as the provisions of any other gate tax regulations which have been made up to the time of signature of the exchange of notes, in so far as they have not already been applied to British nationals.

V.—*Gate Tax in Spanish Zone.*

167. New regulations for the collection of the gate tax in the Spanish Zone were introduced by a dahir of the 1st September, 1931, modelled on the French dahir of the 20th April, 1917. The dahir, which was published on the 25th September, 1931, had not been brought to the notice of His Majesty's consul at Tetuan, though the Spanish delegate-general, in the course of verbal representations by His Majesty's consul regarding certain points in the dahir, admitted that this should have been done before the dahir was issued.

W 13455/13455/28/1931

168. On instruction from the Foreign Office His Majesty's consul at Tetuan drafted a King's Regulation making the tax applicable to British subjects. Mr. Gurney, His Majesty's consul-general at Tangier, however, drew attention to what appeared to be discrimination arising from the different rates of tax levied on soya-bean oil and olive oil. On instructions from Mr. Gurney, His Majesty's consul at Tetuan reminded the local authorities that until a King's Regulation was issued, the dahir was not applicable to British subjects. At the same time he made a formal protest against its having already been applied to them, and stated that, pending reference to His Majesty's Government, he made all reserves on the question of the apparent discrimination as regards soya-bean oil.

W 1751/583/28/1932

W 2313/583/28/1932

169. On the 24th February, 1932, the Foreign Office pointed out to Mr. Gurney that the discrimination in the tax between olive oil and soya-bean oil was not a breach of British most-favoured-nation rights, and explained the policy of His Majesty's Government in regard to the enforcement of dahirs. "Where the dahir is in contradiction of their treaty rights His Majesty's Government have a clear and proper case for refusing to enforce it. This is not so in the present case. Where the dahir is, though not contrary to treaties, in fact discriminatory against British trade, the case comes very near the line. It may be good policy to use the capitulatory position for what it is worth, to try to get the dahirs amended so that they will not be discriminatory against British trade in fact, even though in form they are not discriminatory. This lever should not, however, be used too frequently because it is not a very strong one, and the use of it is apt to prejudice the capitulatory position itself. In spite of the fact that, strictly speaking, the Spanish authorities are not entitled to levy the taxes on British subjects until the King's Regulation is made, it is the case . . . . that in practice they both can and do. . . ." In view of these considerations His Majesty's Government were disposed "to enforce by King's Regulation all dahirs imposing taxation which cannot be said to be contrary to the letter of the treaty rights of His Majesty's Government."

W 1751/583/28/1932

170. Unless any fresh arguments were brought forward, His Majesty's consul at Tetuan was to be authorised to issue the necessary King's Regulation. A vizirial decree was issued on the 17th March, 1932, equalising the rates of gate tax payable on olive and other edible oils, and a King's Regulation was issued on the 7th July, 1932, making the dahir and vizirial decrees applicable to British subjects as from the 1st January, 1932.

W 4075/583/28/1932

W 8092/583/28/1932

171. The above regulations have since been modified by a dahir and a vizirial decree of the 1st November, 1934, the effect of which is that the gate tax will be leviable on imported goods only. His Majesty's Ambassador at Madrid and His Majesty's consul at Tetuan were instructed (March 1935) to make representations to the Spanish Government and Spanish Zone authorities setting out the treaty rights of His Majesty's Government, and pointing out that the new regulations infringe the principle of equalisation of taxes between imported and local products; that His Majesty's Government will be unable to accept them unless amended in this respect; that if they are not amended and are nevertheless applied to British subjects without the consent of His Majesty's Government, the latter reserve the right to make claims for refund of duties; and, finally, that prior notice of intended measures of this nature should be given to British consular officers (Annex 49). The text of the note addressed to the Spanish Government is contained in Annex 50. Similar representations have been made by His Majesty's consul at Tetuan.

VI.—*Egypt and Tariff Autonomy.*

172. The possibility of the French Government drawing an analogy between the position of Morocco as regards tariff autonomy and that of Egypt makes it desirable to give some account of the development of the question in Egypt.

173. By the treaty of 1809 between Great Britain and Turkey and by the older Capitulations most-favoured-nation treatment was obtained for British subjects and ships and a limit of 3 per cent. was fixed for duties on goods imported by British subjects.

174. The convention with Turkey of 1838 confirmed the privileges conferred on British subjects and ships by the existing Capitulations except as specifically altered by the present convention. The convention contained a most-favoured-nation clause as regards British subjects and ships, but the import duty was fixed at 3 per cent. plus a 2 per cent. internal duty.

175. A treaty of 1861 was concluded between Great Britain and Turkey in substitution of the convention of 1838, and, unlike the convention of 1838 and previous treaties, was terminable after a certain period. The treaty of 1861 confirmed "now and for ever all the previous Capitulations, with the exception of those clauses which it is the intention of the present treaty to modify." It contained a most-favoured-nation clause for British subjects and ships, and the import duty was now limited to 8 per cent. for articles imported from British territory. Similar treaties were concluded by Turkey with other capitulatory Powers.

176. An Ottoman firman of 1867 gave Egypt independence as regards customs duties, and another firman of 1873 gave Egypt power to conclude separate commercial conventions.

177. In 1882–83 Turkey exercised her right to terminate the British Treaty of 1861 and nine other treaties with other Powers which expired about the same date. There remained, however, five treaties which still had some years to run, and pending the conclusion of a new treaty, His Majesty's Government claimed most-favoured-nation treatment under the Capitulations as regards the 8 per cent. import duty. The Turkish Government contended, however, that the Capitulations as regards the import duty had been modified once and for all by the 1861 treaty, and when that treaty terminated the Capitulations on that point came to an end. The dispute appears to have been compromised, Turkey being willing, in fact, to grant most-favoured-nation treatment, though not admitting the obligation in principle.

178. There are two Law Officers' opinions bearing on this point. An opinion of 1883 advised that, on the termination of the 1861 treaty, there was a complete reversion to the *status quo* before the treaty of 1838. An opinion of 1889 advised—

(i) That the Capitulations entitled British subjects to most-favoured-nation treatment.

(ii) That the practice of the Porte with regard to the modification of the Capitulaions by terminable treaties would be sufficient if shown to be constant to establish the position that the Capitulations revive on the termination of the treaties modifying them.

(As to (ii) it does not seem possible to establish evidence of such constant practice.)

(iii) That (contrary to the opinion of 1883) the 1838 treaty should be held to have revived on the termination of the treaty of 1861.

179. In 1884 Egypt concluded a commercial treaty with Greece, and in 1889 one with Great Britain, and between 1892 and 1906 commercial agreements were concluded with most of the capitulatory Powers, all being terminable. As a result, while those treaties lasted, Egypt was unable to raise customs duties above 8 per cent. The last treaty was one with Italy, and it was on the termination of this in 1930 that Egypt claimed to have freedom to introduce a new tariff.

180. The position in this respect was considered in 1922, when a despatch was addressed to Lord Allenby, in which His Majesty's Government asserted the view that the capitulatory Powers on the termination of their temporary commercial agreements could claim the rights resulting from their non-terminable

capitulatory treaties, and it was stated that it was the treaty of 1809 and the Capitulations before that date, with their 3 per cent. duty, to which His Majesty's Government would have the right to revert. According to the Law Officers' report of 1889, however, it is the treaty of 1838 that should have been mentioned. Having regard to the principle that what has been modified is annulled, there is considerable doubt whether the claim to revert to capitulatory rights as regards customs duties which was subsequently modified by terminable treaties is a valid one. But the case for reverting to the 1838 treaty is not so weak as that for reverting to the 1809 treaty.

181. In February 1929 the Egyptian Government announced their intention to establish the Egyptian tariff by legislative means and to conclude conventions in virtue of such legislation. They accordingly gave formal notice of denunciation of the United Kingdom–Egypt Commercial Convention of 1889, which would thus terminate on the 16th February, 1930. According to the view of His Majesty's Government, on the disappearance of Egypt's commercial treaties, there was a case in strict law for claiming that, under the Capitulations, His Majesty's Government could insist that Egypt should revert to a customs flat rate of 3 per cent. The disappearance of the Capitulations in Turkey, it was considered, need not be held to affect the position. But general, as opposed to legal, considerations made it impracticable to insist on such an obligation, and it was thought desirable, while making a reservation of our rights, to ensure a reasonable measure of compliance with our wishes, by the judicious use of the lever afforded by the Capitulations.

182. In March 1929 the Egyptian Minister of Finance informed Lord Lloyd, that while fully maintaining their legal rights, the Egyptian Government were desirous of removing any unnecessary apprehensions as to the new legislative proposals, and agreed to publish the draft Customs and Excise Law, with the tariff schedules, in order to enable interested parties to make suggestions and alterations. Cmd. 13656, No. 103.

183. On the 30th May, 1929, Lord Lloyd addressed a note to the Egyptian Minister for Foreign Affairs acknowledging the notification of the denunciation of the commercial convention of 1889 and welcoming the assurances given by the Minister of Finance in March. The note concluded with the statement that the denunciation automatically terminated, as from the 16th February, 1930, the temporary derogations from capitulatory rights contained in the existing "Règlement douanier égyptien," which were accepted by article 12 of the denounced convention. "The full and formal consent of His Majesty's Government is an essential condition precedent to the exercise by the Egyptian Government after the 16th February, 1930, of powers of this kind and of jurisdiction over British subjects contrary to the Capitulations." A copy of Lord Lloyd's note was sent to the representatives of capitulatory Powers in Egypt. Cmd. 13656. No. 114.

184. The draft customs law and schedules were published on the 18th December, 1929, and it was feared that the interval before the enforcement of the law was too short to provide adequate opportunity for interested parties to formulate suggestions. However, it became realised that if serious economic results were to be avoided, it was essential that the new tariff should not be delayed after the 17th February, 1930.

185. It only remained, therefore, to consider in which form the consent of His Majesty's Government should be communicated to the Egyptian Government. On the 16th February, 1930, a note was addressed to the Egyptian Government by Sir P. Loraine in a form which appeared adequately to safeguard the position in regard to the Capitulations. In this note His Majesty's Government recorded "their acceptance of the law, together with the tariff schedule as now published, or with such minor modifications as may be lawfully introduced, the new Excise Law, and the continued application of the existing 'Règlement douanier' to British subjects and goods of British origin, and to take the necessary steps to inform British subjects established in Egypt." The note also stated that in order to avoid any possible misunderstanding "this acceptance must be regarded as provisional for one year as from the 17th February, and subject to the proviso that British subjects and goods of British origin will enjoy most-favoured-nation treatment in any circumstances that may arise during the year, and that the double duty contemplated in article 2 of the law will in no circumstances be applied to British subjects and goods of British origin."

186. By a subsequent exchange of notes of the 5th and 7th June, 1930, a provisional commercial agreement was concluded between the United Kingdom and Egypt on the basis of reciprocal most-favoured-nation treatment as regards goods. This exchange of notes was to remain in force until the 16th February, 1931, unless previously replaced by a treaty, and has been prolonged since for periods of one year.

187. Provisional commercial agreements on a most-favoured-nation basis were also concluded with the other capitulatory Powers, but no other Power appears to have made the proviso contained in Sir P. Loraine's note of the 16th February, 1930.

Foreign Office, July 1, 1935.

ANNEX 1.

Exchange of Notes between His Majesty's Government in the United Kingdom and the French Government regarding contemplated Economic Measures and Reforms in Morocco (the French and Tangier Zones), January 29, 1935.

Note No. 1.

M. Corbin to Sir John Simon.

(Translation.)

French Embassy,
London, January 29, 1935.

Your Excellency,

AS His Majesty's Government in the United Kingdom are aware, it is the desire of the Government of the Republic to see introduced in Morocco certain measures and reforms of an economic character, and discussions on this matter have recently taken place between representatives of our two Governments. I have now the honour to state that, as concerns the French Zone, the measures and reforms which the French Government propose to introduce are as follows :—

I.—*Quotas.*

1. The importation of the products enumerated in List A annexed hereto will be subjected to a quota system conforming to the rule of economic equality.

2. Accordingly, the quotas shall be calculated as follows :—

A global quota will be fixed each half-year for each of the products enumerated in List A, taking as basis the imports in the last corresponding period for which statistics have been published. Thus, in 1935, the global quotas for the first half-year will be fixed in accordance with the statistics for the first half of 1933, and those for the second half of 1935 in accordance with the statistics for the second half of 1934.

Within the theoretical global quotas thus fixed, which may be increased or reduced in accordance with economic necessities, each exporting country will receive a quantitative share proportional to the imports from it of the product in question in the period 1928 to 1933 inclusive.

3. In the event of a quota not being exhausted during the half-yearly period for which it was fixed, the Government of the Protectorate may, on request made to it, carry forward the unused balance to the following half-year.

4. The management of the quotas shall be arranged by the Protectorate Government, in concert with the corporative organisations designated for this purpose by the Government of each of the exporting countries.

II.—*Tariffs and Gate Taxes.*

1. Customs duties to come into force at the same time as the quota system above described.

The articles enumerated in List B annexed hereto will be made subject to a duty of 25 per cent. *ad valorem* (including the 2½ per cent. duty established by the Act of Algeciras), subject to the observations contained in the said list.

Products necessary for agriculture, such as agricultural machinery, &c., as well as raw materials necessary for industry, such as coal having a volatile content greater than 10 per cent., &c., will be made subject to reduced duties. In the case of the coal above mentioned, the duty shall be 10 per cent. *ad valorem* (including the duty of 2½ per cent. *ad valorem* established by the Act of Algeciras).

Other articles, except those to which duty-free entry will be accorded, shall be subject to a normal tariff of 15 per cent. *ad valorem* (including the duty of 2½ per cent. established by the Act of Algeciras).

2. As the collection of the full amount of the *ad valorem* customs duties depends on their correct assessment, the French Government propose the adoption by the Protectorate Government of the draft regulations annexed hereto,(1) which are designed to improve the conditions of collection of these duties.

(1) Not reproduced.

It is understood that, so long as the special régime enjoyed by the United Kingdom remains in force in Morocco, the fines and penalties contemplated in article 9 of the regulations in question can only be enforced against British nationals with the assent of His Majesty's consular authorities in Morocco, under a procedure which can be agreed subsequently.

3. The Administration of the French Zone will modify the Arrêté Viziriel of the 31st July, 1933, in such a manner that the gate taxes applicable to the products enumerated below shall be the same as those applicable to similar local products :—

Yarns and tissues of cotton, pure or mixed, and all articles manufactured from yarns or tissues of cotton, pure or mixed.

Yarns and tissues of flax, hemp or artificial silk, and all articles manufactured from yarns or tissues of flax, hemp or artificial silk, pure or mixed.

Yarns and tissues of wool, pure or mixed, and all articles manufactured from yarns or tissues of wool, pure or mixed.

It is understood that His Majesty's Government in the United Kingdom undertakes to apply the provisions of the above-mentioned "arrêté" as thus modified to British nationals, as well as the provisions of any other regulations concerning the gate taxes which have been made up to the time of signature of the exchange of notes of this day's date, in so far as these regulations have not already been applied to British nationals.

These measures and reforms being agreed to, the Government of the French Republic desire to receive, in return, an assurance that, on the analogy of the reciprocity clause adopted by the Council of the League of Nations in September 1930 in respect of the A and B Mandates, His Majesty's Government in the United Kingdom will give favourable consideration to requests made to it with a view to securing in commercial matters to persons belonging to Morocco, or to goods imported therefrom, advantages corresponding to those accorded in Morocco to British nationals and to United Kingdom goods.

The French Government propose that the arrangements referred to in the preceding paragraphs should be put into force as soon as possible after the 1st January, 1935, as may be agreed upon between the Government of the Republic and His Majesty's Government in the United Kingdom.

I have, &c.
CH. CORBIN.

List A.

Products to be made subject to the Quota System.

Cement.
Cotton tissues.
Natural silk tissues.
Artificial silk tissues.
Iron and steel, manufactures of iron and steel, and machinery.
Motor vehicles and parts thereof.
Pneumatic tyres and tubes and solid tyres.
Refined sugar.

List B.

Products to be made subject on Importation to a Duty of 25 per Cent. ad valorem.

Cement.
Edible pastes.
Seed oils.
Motor vehicles and parts thereof.

Note No. 2.

Sir John Simon to M. Corbin.

Your Excellency, *Foreign Office, January 29, 1935.*

With reference to your Excellency's note (No. 1), I have the honour to state that His Majesty's Government in the United Kingdom, in accordance with article 1 of the Franco-German Convention of 1911 regarding Morocco, to which they have acceded, and in accordance with their general friendly policy of not availing themselves of their treaty rights in Morocco to obstruct the introduction of administrative and economic measures which are desirable for the well-being of the French Zone of Morocco, hereby declare their acceptance of the economic measures and reforms specified in your Excellency's note. This acceptance only extends to the particular measures therein specified and does not extend to any alteration of these measures, and is, moreover, conditional upon all the measures specified being put into force. I must, moreover, state that His Majesty's Government's acceptance of these measures is given by His Majesty's Government in waiver of their treaty rights and in no way prejudices the assertion of these rights as regards any measures other than those specified in your Excellency's note.

With reference to the penultimate paragraph of your Excellency's note, I have the honour to state that, on the analogy of the reciprocity clause adopted by the Council of the League of Nations in September 1930 in respect of the A and B Mandates, His Majesty's Government in the United Kingdom will give favourable consideration to requests made to it with a view to securing in commercial matters to persons belonging to Morocco, or to goods imported therefrom, advantages corresponding to those accorded in Morocco to British nationals and to United Kingdom goods.

His Majesty's Government agree with the suggestion in the concluding paragraph of your note under reply that the time for the introduction of these measures shall be that subsequently agreed upon between the two Governments as soon as possible after the 1st January, 1935.

I have, &c.
JOHN SIMON.

Note No. 3.

M. Corbin to Sir John Simon.

(Translation.) *French Embassy,*
Your Excellency, *London, January 29, 1935.*

I have the honour to acknowledge receipt of your Excellency's note (No. 2) regarding certain economic measures and reforms which it is desired to introduce in Morocco.

I am instructed to inform you that the French Government, like His Majesty's Government in the United Kingdom, fully reserves its point of view in relation to the treaty aspects of the matter, while none the less agreeing to reach a practical solution in accordance wih the notes (Nos. 1 and 2) exchanged between your Excellency and myself.

I have, &c.
CH. CORBIN.

Note No. 4.

M. Corbin to Sir John Simon.

(Translation.) *French Embassy,*
Your Excellency, *London, January 29, 1935.*

The Government of the Republic, as representing His Shereefian Majesty, desires the introduction in the Tangier Zone of certain increased customs duties.

which are specified in the Annex of this note, and desires to know whether His Majesty's Government in the United Kingdom is in agreement with this proposal.

It is understood that, if His Majesty's Government should agree to this proposal, it could only be brought into force when the conditions provided by article 8 of the Tangier Statute have been complied with.

I have, &c.
CH. CORBIN.

Annex relating to the increase of Customs Duties in the Tangier Zone.

1. The Articles enumerated in the list below will be made subject to a duty of 25 per cent. *ad valorem* (including the 2½ per cent. duty established by the Act of Algeciras), subject to the observations continued in the said list :—

Products to be made subject on importation to a duty of 25 *per cent.* ad valorem.

Cement.
Edible pastes.
Seed oils.
Motor vehicles and parts thereof.

Products necessary for agriculture, such as agricultural machinery, &c., as well as raw materials necessary for industry, such as coal having a volatile content greater than 10 per cent., &c., will be made subject to reduced duties. In the case of the coal above mentioned, the duty shall be 10 per cent. *ad valorem* (including the duty of 2½ per cent. *ad valorem* established by the Act of Algeciras).

Other articles, except those to which duty-free entry will be accorded, shall be subject to a normal tariff of 15 per cent. *ad valorem* (including the duty of 2½ per cent. established by the Act of Algeciras).

2. As the collection of the full amount of the *ad valorem* Customs duties depends on their correct assessment, the French Government, representing His Shereefian Majesty, propose the adoption in the Tangier Zone of regulations designed to improve the conditions of collection of these duties.

Note No. 5.

Sir John Simon to M. Corbin.

Your Excellency, *Foreign Office, January* 29, 1935.

With reference to your Excellency's note (No. 4), I have the honour to state that His Majesty's Government in the United Kingdom are in agreement with the increases of Customs duties to be applied in the Tangier Zone as set forth in the Annex to your Excellency's note.

These increases can, however, only be brought into force when the conditions provided by the Tangier Statute have been fulfilled.

With reference to paragraph 2 of the Annex to your Excellency's note, His Majesty's Government would view favourably the introduction in the Tangier Zone, in accordance with the provisions of the Tangier Statute, of new Regulations to improve the conditions under which Customs duties are collected.

I have, &c.
JOHN SIMON.

ANNEX 2.

Sir Edward Grey to Sir F. Bertie (Paris).

(No. 742.)

Sir, *Foreign Office, December* 28, 1914.

I transmit to your Excellency herewith a copy of a despatch from His Majesty's Chargé d'Affaires at Tangier, respecting a proposal of the authorities in the French Zone in Morocco to impose a " droit de consommation " on sugar.

You should inform the French Government that His Majesty's Government understand that British interests will not be appreciably affected by the proposed duty, and that His Majesty's Government therefore have no desire to embarrass the French Government by protesting against its imposition. His Majesty's Government must, however, in principle, reserve all the commercial privileges which they enjoy under existing treaties with Morocco, which privileges are in no way diminished by their recognition of the French Protectorate.

I am, &c.
(For the Secretary of State).
RALPH PAGET.

ANNEX 3.

M. Delcassé to Sir F. Bertie (Paris).

M. l'Ambassadeur, *January* 8, 1915.

Par sa lettre du 1er de ce mois, votre Excellence a bien voulu me faire savoir que le Gouvernement de Sa Majesté ne pensait pas que les intérêts britanniques seraient affectés d'une manière appréciable par l'établissement d'une taxe sur le sucre au Maroc et n'avait d'ailleurs pas l'intention d'embarrasser le Gouvernement de la République en protestant contre cette mesure.

En même temps, Sir Edward Grey a prié votre Excellence de rappeler qu'en principe le Gouvernement de Sa Majesté considère que les privilèges commerciaux reconnus à la Grande-Bretagne par les traités en vigueur avec le Maroc n'ont subi aucune atteinte du fait de la reconnaissance du Protectorat français sur l'Empire chérifien.

En remerciant le Gouvernement de Sa Majesté de ses dispositions amicales à l'expression desquelles nous sommes très sensibles, je serais reconnaissant à votre Excellence de lui faire savoir qu'il n'est nullement dans les intentions du Gouvernement de la République de soumettre les ressortissants anglais au Maroc à aucune mesure qui les priverait de la jouissance desdits privilèges, sans qu'au préalable le Gouvernement de Sa Majesté ait bien voulu y donner son assentiment. Votre Excellence voudra bien se souvenir qu'il a été ainsi procédé lors de l'établissement dans la Zone française du Maroc d'une taxe sur l'alcool. Il est évident que la reconnaissance du protectorat français sur le Maroc ne saurait à cet égard avoir pour la Grande-Bretagne des effets autres que la reconnaissance du protectorat britannique sur l'Egypte n'en comporte pour la France.

Si le Gouvernement chérifien donne suite au projet de taxe sur les sucres auquel fait allusion la lettre de votre Excellence, ladite taxe ne pourra être exigée des ressortissants britanniques, au moins tant que le Gouvernement de Sa Majesté n'aura pas consenti à ce qu'ils y soient soumis. Je crois devoir ajouter que non seulement mon Département n'a pas eu connaissance de réclamations élevées à ce sujet par des ressortissants anglais, mais même aucun dahir chérifien n'a jusqu'ici été publié qui autorise la perception d'une telle taxe et justifie les craintes dont témoigne la communication précitée.

Agréez, &c.
DELCASSE.

ANNEX 4.

M. Delcassé to Sir F. Bertie (Paris).

M. l'Ambassadeur,

July 24, 1915.

J'ai l'honneur d'exposer à votre Excellence que la nécessité d'augmenter les ressources du Protectorat marocain va obliger le Résident général de la République à Rabat à frapper d'une taxe de consommation les sucres introduits dans la Zone française de l'Empire chérifien. Au cours de sa récente visite à Rabat, M. White a laissé aux fonctionnaires de la Résidence générale l'impression que cette taxe, qui n'affecterait pas d'une manière sensible les intérêts britanniques, ne soulèverait vraisemblablement pas en fait d'objection de la part du Gouvernement du Roi. Me référant à ma note du 7 janvier dernier, je veux espérer que le Gouvernement de Sa Majesté britannique approuvera les déclarations de son représentant à Tanger.

Le Gouvernement de la République est d'autant plus fondé à escompter un assentiment à la mesure envisagée que l'adhésion du Gouvernement britannique aux réformes de tout ordre que nous introduisons au Maroc doit être considérée en droit comme accordée une fois pour toutes par la reconnaissance faite le 19 décembre dernier du Traité de Protectorat français sur le Maroc. Le Gouvernement du Roi a également adhéré, au moins implicitement, au traité franco-allemand du 4 novembre 1911; dans sa lettre au Chargé d'Affaires de France à Londres en date du 14 novembre de la même année, le Principal Secrétaire d'État des Affaires étrangères déclarait en effet que, sous la réserve de la conclusion d'un arrangement destiné à placer la ville et le district municipal de Tanger sous un contrôle international, le Gouvernement de Sa Majesté avait "grand plaisir à donner son adhésion à la convention franco-allemande." Or, on peut dire qu'en ce qui concerne la France et la Grande-Bretagne l'arrangement relatif au statut de Tanger est conclu: la note de mon Département du 21 décembre 1914 constatait l'accord complet des deux Gouvernements à ce sujet. Cet accord, en raison des termes, rappelés plus haut, dont s'est servi Sir Edward Grey, emporte bien l'adhésion du Gouvernement de Sa Majesté au traité franco-allemand, dont le traité de Protectorat n'est d'ailleurs que la conséquence. Il est superflu de rappeler que les deux actes précités stipulent dans leur article 1er le pouvoir réglementaire absolu du représentant de la République au Maroc. Il est également inutile d'ajouter que les nouvelles taxes déjà établies ou celles dont l'établissement est prochain seront égales pour tous et qu'il ne sera constitué à ce sujet de privilège au profit de personne.

Peut-être le Gouvernement britannique objectera-t-il que, si la déclaration du 19 décembre 1914 stipule que la reconnaissance du Protectorat français sur le Maroc est faite sous la forme d'une adhésion formelle aux dispositions explicites du traité franco-marocain du 30 mars 1912, cependant la proclamation du Protectorat britannique sur l'Égypte n'a amené jusqu'ici aucune modification du *statu quo* en ce qui concerne les intérêts français en ce dernier pays. Le Gouvernement de la République en convient aisément, mais il s'attend que le Gouvernement britannique ne tarde pas à tirer de l'établissement de son Protectorat sur l'Égypte les conséquences qu'il comporte et il ne croit pas qu'on puisse de bonne foi soutenir que les réformes introduites au Maroc, et dont tous les habitants sans aucune exception ont ressenti les bienfaits comme ils doivent tous en supporter les charges, aient, tout bien considéré, lésé les intérêts des sujets britanniques. Néanmoins, animés en ce qui concerne les affaires marocaines du même souci d'entente dont nous constatons partout les heureux effets, et dans un sentiment de courtoisie qui s'inspirait de l'esprit de l'accord du 8 avril 1904, nous avons consenti, tant que le *statu quo* ne serait pas modifié en Égypte, à prévenir le Gouvernement britannique de nos intentions de réformes au Maroc, confiants qu'il n'y refuserait pas un assentiment qu'en droit strict nous ne nous croyons pas tenus de provoquer.

Je serais heureux d'apprendre que votre Excellence aura bien voulu soumettre les considérations qui précèdent à la plus amicale attention de Sir Edward Grey et que le Gouvernement de Sa Majesté ne fera pas d'objection à l'établissement, dans la Zone française de l'Empire chérifien, d'une taxe modérée de consommation sur les sucres.

Agréez, &c.
DELCASSÉ.

ANNEX 5.

Sir Edward Grey to Sir F. Bertie (Paris).

(No. 650.)

Sir,

Foreign Office, August 5, 1915.

With reference to your Excellency's despatch No. 284 of the 27th ultimo, regarding the imposition of a consumption tax on sugar imported into the French Zone in Morocco, I request that your Excellency will inform M. Delcassé that, as already stated in my despatch No. 742 of the 28th December last, His Majesty's Government recognise the reasons which prompt the French Government to impose this tax and have agreed to its imposition.

Your Excellency should add that, as regards the general questions raised by M. Delcassé, His Majesty's Government have certainly recognised the French Protectorate in Morocco, but that they feel confident the French Government will agree that it is better to leave till quieter times the discussion of the renunciation of British and French extra-territorial treaty rights and jurisdiction in Morocco and Egypt respectively.

I am, &c.
(For the Secretary of State),
W. LANGLEY.

ANNEX 6.

The Resident-General, Rabat, to the Italian Chargé d'Affaires, Tangier.

M. le Chargé d'Affaires,

Rabat, le 10 *janvier* 1916.

Vous avez bien voulu, par une lettre en date du 27 décembre dernier, me faire part d'objections qui s'opposeraient, à votre avis, à l'application du dahir chérifien paru au *Bulletin officiel* du 13 décembre dernier et portant établissement d'un droit de consommation sur les sucres.

L'argumentation présentée, en l'espèce, par la Légation d'Italie, repose, semble-t-il, sur une fausse interprétation de l'Acte général d'Algésiras.

Tout d'abord, il ne s'agit pas, contrairement à l'opinion émise par vous, de la création d'une des taxes municipales, les seules visées à l'article 64 de cet acte et qui, en vertu de son texte, ne pouvaient pas être étendues aux ressortissants étrangers sans le consentement du Corps diplomatique, mais bien d'un droit de consommation, applicable, notamment, aux sucres indigènes, ainsi qu'à ceux qui sont importés de la Zone espagnole dans celle du Protectorat français.

Le Gouvernement du Protectorat n'oublie pas les stipulations de l'Acte d'Algésiras, mais l'adhésion du Gouvernement royal à l'accord franco-allemand du 4 novembre 1911 et au traité de Protectorat, qui modifient profondément le régime antérieur, exclut toute controverse au sujet dudit droit, quelle qu'en soit la nature.

Vous n'ignorez certainement pas que, sous réserve du maintien de l'égalité économique, l'article 1er de l'accord franco-allemand a conféré à la France les droits réglementaires, en matière économique et financière, dans la mesure où des réformes seraient nécessaires pour le bon gouvernement de l'Empire chérifien. Précisés par la lettre interprétative de l'accord du 4 novembre, où il est expressément stipulé que "l'adhésion accordée d'une manière générale au Gouvernement français par l'article 1er de ladite convention s'applique, naturellement, à toutes les questions donnant matière à réglementation et visées dans l'Acte d'Algésiras," ces droits ont été, sans qu'il puisse subsister aucun doute, confirmés par l'article 1er du traité du Protectorat.

L'adhésion du Gouvernement royal à ces différents accords et, notamment, à l'article 4 de l'accord franco-allemand qui, interdisant toute inégalité "dans l'établissement des droits de douane, impôts et autres taxes," confère au Protectorat l'autonomie douanière comme l'autonomie fiscale, sous la seule réserve du principe d'égalité, implique nécessairement son assentiment aux mesures de réorganisation fiscale édictées par le Protectorat.

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D'une manière plus générale, cette adhésion nous garantit implicitement le consentement des Puissances aux réformes en dehors desquelles la France serait dans l'impossibilité d'exercer ses droits au Maroc et d'y remplir la mission qu'elle y a assumée.

La promulgation du nouveau dahir est donc, à la fois conforme à la logique et au droit et, d'ailleurs, n'a motivé aucune objection de la part des autres Puissances signataires des accords susvisés.

Veuillez agréer, &c.
SAINT-AULAIRE.

ANNEX 7.

His Majesty's Embassy, Paris, to French Government.

November 8, 1919.

His Majesty's Government have been informed by His Majesty's agent and consul-general at Tangier that by a Shereefian dahir of the 25th August, a " droit de consommation " has been imposed on certain articles of merchandise imported in the French Zone, such as tea, coffee, chicory, &c.

His Majesty's Minister has the honour, under instructions from His Majesty's Secretary of State for Foreign Affairs, to point out that the imposition of this " droit de consommation " amounting in fact to an increase in the import duties on the articles affected, without the previous consent of His Majesty's Government having been obtained, reopens a discussion left unfinished in 1915. At that time the immediate occasion for an exchange of notes was the imposition of a " droit de consommation " on sugar, but as His Majesty's Government raised no objection to this tax, of which, as a matter of fact, they were given due notice, and as they proposed that the question of French and British extra-territorial rights in Egypt and Morocco respectively should be left until quieter times, no discussion on general principles actually took place.

In view, however, of the recent dahir, Sir George Grahame is directed to recall the attention of the Ministry for Foreign Affairs to the fact that by the Anglo-Moroccan Commercial Convention of 1856, supplemented by article 66 of the Act of Algeciras, the maximum duty which can be imposed on goods imported into Morocco by British subjects is 12½ per cent. *ad valorem*, and that thus, if it is desired to impose on the same goods a tax amounting to an increase in the import duty, the previous consent of His Majesty's Government is required.

That this view was shared by the French Government on the 8th January, 1915, is proved by the following passage in a note of that date from the Minister for Foreign Affairs to His Majesty's Ambassador in Paris :—

> " Il n'est nullement dans les intentions du Gouvernement de la République de soumettre les ressortissants anglais au Maroc à aucune mesure qui les priverait de la jouissance desdits privilèges sans qu'au préalable le Gouvernement de Sa Majesté ait bien voulu donner son assentiment. . . . . Si le Gouvernement chérifien donne suite au projet de taxe sur les sucres, auquel fait allusion la lettre de votre Excellence, ladite taxe ne pourra être exigée des ressortissants britanniques, au moins tant que le Gouvernement de Sa Majesté n'aura pas consenti à ce qu'ils y soient soumis."

It should be noted that the above opinion was put on record within a month after the adhesion of Great Britain on the 19th December, 1914, to the Franco-Moorish Treaty of 1912, on which the claim of the Protectorate to the right to impose a " droit de consommation " without the consent of His Majesty's Government is based. The fact that M. Delcassé could approve such language so soon after the adhesion of His Majesty's Government to the treaty of 1912 appears to His Majesty's Government to show clearly that the French Government had no intention of construing that adhesion as an abrogation of British rights in Morocco acquired by previous treaties, and the same view is put on record in a note addressed by His Majesty's Ambassador in Paris to the Minister for Foreign Affairs on the 1st January, 1915.

It was not in fact until July 1915 that the theory on which the Protectorate authorities seem to be now acting was first formulated. In a note dated the 24th of that month and addressed to Sir F. Bertie, M. Delcassé expressed himself as follows :—

> ". . . . l'adhésion du Gouvernement britannique aux réformes de tout ordre que nous introduisons au Maroc doit être considérée en droit comme accordée une fois pour toutes par la reconnaissance faite le 19 décembre dernier du Traité de Protectorat français sur le Maroc."

Later on in the same note it is maintained that article 1 of both the Franco-Moorish treaty of 1912, and the Franco-German treaty of 1911 (to which the United Kingdom had adhered, subject to adequate arrangements being made for the internationalisation of Tangier), confer upon France " le pouvoir réglementaire absolu."

Absolute power, then, according to the precise wording of these articles, is claimed over the administrative, judicial, educational, economic, financial, and military spheres. But most of the rights enjoyed by British subjects under the Anglo-Moroccan treaty and convention of 1856 and the Act of Algeciras fall under one or other of the above categories, and it would logically follow, if this contention were admitted by His Majesty's Government, that these rights no longer survive, having (unknown at the time to either Government) ceased to exist on the 19th December, 1914.

This is not a view which can be accepted by His Majesty's Government. It is a recognised principle that when a third party assents to a Protectorate of one State over another, the protected State is not thereby absolved from any obligations which it may have incurred towards the assenting Power, and in support of this principle it is sufficient to instance the case of the British Protectorate over Zanzibar. There is nothing in the treaty of 1890 expressly retaining in force the earlier treaties between Zanzibar and other countries, but the French Government continue to claim in Zanzibar all their rights under earlier treaties which have not been abrogated by any special arrangement with His Majesty's Government.

His Majesty's Government observe that with regard to Morocco the French Government have not acted entirely in accordance with the theory propounded by M. Delcassé in his note of the 24th July, 1915; had they done so they would not have negotiated with Great Britain in 1918 the draft Morocco-Egypt Convention.

Article 2 of that draft convention provides for the abolition of the British consular courts in the French Zone; article 7 again lays down that His Majesty's Government shall renounce all the rights they possess in virtue of the Act of Algeciras regarding the establishment and functions of the State Bank of Morocco. But had the Administration of the Protectorate been in possession of the absolute power claimed in M. Delcassé's note, these arrangements, construed as judicial and financial reforms, need never have been made the subject of negotiation. Again, article 6 (*sic*)(1) specifically maintains in force the Commercial Convention of 1856, which evidently could not have been regarded by the negotiators of the draft convention as a dead letter.

Clearly then, if certain financial and economic rights admittedly survive, all the rights conferred by the earlier treaties must also survive, including the right to exemption from an import duty in excess of 12½ per cent. *ad valorem*.

In view of the considerations set forth above, Sir G. Grahame is instructed by Earl Curzon of Kedleston to protest to the French Government against the imposition of these dues without the previous consent of His Majesty's Government having been formally requested and obtained, and to state that His Majesty's Government cannot but regard the goods imported by British subjects as exempt from the incidence of these dues.

(1) This should be article 5. See paragraph 99 of memorandum.

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ANNEX 8.

Sir H. White (Tangier) to French Resident-General.

M. le Résident général, *November* 24, 1919.

I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to inform your Excellency that his attention has been called to the dahir of the 25th August last, imposing a "droit de consommation" on tea, coffee and other commodities imported into the French Zone.

In the opinion of His Majesty's Government, the imposition of this tax, without the previous consent of His Majesty's Government having been obtained, reopens a discussion left unfinished in 1915. At that time the immediate occasion for an exchange of notes was the imposition of a "droit de consommation" on sugar, of which, in effect, His Majesty's Government were given due notice, and to the incidence of which their assent was previously obtained. As, however, they raised no objection to this tax and proposed that the question of the renunciation of French and British extra-territorial rights in Egypt and Morocco should be left to quieter times, no discussion on general principles took place.

In view, however, of the promulgation of the above-mentioned dahir without previous consultation with His Majesty's Government, I am to remind your Excellency that by the Anglo-Moroccan Commercial Convention of 1856, supplemented by article 66 of the Act of Algeciras, the maximum duty which can be imposed on goods imported into Morocco by British subjects is 12½ per cent. *ad valorem*. If, therefore, it is desired to impose on the same goods a tax amounting to an increase in the import duty, *the previous* consent of His Majesty's Government is indispensable.

That the French Government shared this view on the 8th January, 1915, is proved by the following passage in the note of that date from M. Delcassé :—

> "Il n'est nullement dans les intentions du Gouvernement de la République de soumettre les ressortissants anglais au Maroc à aucune mesure qui les priverait de la jouissance desdits privilèges sans qu'au préalable le Gouvernement de Sa Majesté ait bien voulu donner son assentiment. . . . . Si le Gouvernement chérifien donne suite au projet de taxe sur les sucres, auquel fait allusion la lettre de votre Excellence, ladite taxe ne pourra être exigée des ressortissants britanniques, au moins tant que le Gouvernement de Sa Majesté n'aura pas consenti à ce qu'ils y soient soumis."

It is important to note that the above opinion was put on record within a month after the adhesion of Great Britain to the Franco-Moorish Treaty of 1912 (the 19th December, 1914), for it would seem to be on the adhesion of Great Britain to that treaty that the claim of the Protectorate authorities to impose, without the consent of His Majesty's Government, a "droit de consommation" on imports is based. The fact that M. Delcassé could approve such language so soon after the adhesion of Great Britain to the treaty of 1912 clearly shows that the French Government had no intention of construing that adhesion as an abrogation of the British rights in Morocco acquired by previous treaties; and the same view was put on record shortly after in a communication on the subject addressed to the French Government by His Britannic Majesty's Ambassador at Paris.

It was not, in fact, till July 1915 that the theory on which the promulgation of the dahir in question would seem to be based was first formulated. In a note dated the 24th of that month addressed to His Majesty's Ambassador, M. Delcassé expresses himself as follows :—

> ". . . . l'adhésion du Gouvernement britannique aux réformes de tout ordre que nous introduisons au Maroc doit être considerée en droit comme accordée une fois pour toutes par la reconnaissance faite le 19 décembre dernier du Traité de Protectorat français sur le Maroc."

Later on, in the same note, it is maintained that article 1 of both the Franco-Moorish Treaty of 1912 and the Franco-German Treaty of 1911 (to which the

United Kingdom had adhered, subject to adequate arrangements being made for the internationalisation of Tangier) confer upon France "le pouvoir réglementaire absolu."

Absolute power, then, according to the precise wording of these articles, is claimed over the administrative, judicial, educational, economic, financial and military spheres. But most of the rights enjoyed by British subjects under the Anglo-Moroccan Treaty and Convention of 1856 and the Act of Algeciras fall under one or the other of the above categories; and it would logically follow, if the contention of the French Government were admitted, that these rights now no longer survive, having (unknown at the time to either Government) ceased to exist on the 19th December, 1914.

This is not a view which His Majesty's Government can countenance. It is a recognised principle that when a third party assents to a Protectorate of one State over another the protected State is not thereby absolved from any treaty obligations which it may have incurred towards the assenting Power. In support of this principle it is sufficient to instance the British Protectorate over Zanzibar. There is nothing in the treaty of 1890 expressly retaining in force the earlier treaties between Zanzibar and other countries, but the French Government continue to claim in Zanzibar all their rights under the earlier treaties which have not been abrogated by any special arrangements with His Majesty's Government.

It is satisfactory to observe that the French Government has not acted, even as regards Morocco, consistently with the theory propounded by M. Delcassé; otherwise they would not have negotiated with Great Britain in 1918 the draft Morocco-Egyptian Convention.

Article (2) of that draft provides for the abolition of the British consular courts in the French Zone; article (7) again lays down that His Majesty's Government shall renounce all the rights which they possess in virtue of the Act of Algeciras regarding the establishment and the functions of the State Bank of Morocco. But had the Administration of the Protectorate been in possession of the absolute power claimed in M. Delcassé's note, these rearrangements, construed as judicial and financial reforms, need never have been made the subject of negotiation. Again, article (6) specifically maintains in force the commercial convention of 1856, which evidently could not have been regarded by the negotiators of the draft convention as a dead letter.

Clearly, then, if certain judicial, financial and economic rights admittedly survive, all the rights conferred by the earlier treaties must survive, including the right to exemption from an import duty in excess of 12½ per cent. *ad valorem*.

I have the honour, therefore, to inform your Excellency that His Majesty's Government find it necessary to protest against the imposition of these dues without their previous agreement having been formally requested and obtained, and must regard the goods imported by British subjects as exempt from their incidence.

I avail, &c.
HERBERT E. WHITE.

ANNEX 9.

French Ministry for Foreign Affairs to His Majesty's Embassy, Paris.

November 21, 1919.

Par sa note du 8 de ce mois, l'Ambassade de Sa Majesté britannique à Paris a exposé que le Principal Secrétaire d'État des Affaires étrangères estime que les dispositions du dahir du 25 août 1919 portant création d'une taxe intérieure de consommation sur les principales denrées coloniales et leurs succédanés ne sont pas applicables aux sujets et ressortissants de l'Empire britannique au Maroc tant que leur perception n'a pas été autorisée par un acte formel du Gouvernement de Sa Majesté.

Le Ministère des Affaires étrangères a l'honneur de faire savoir que le Gouvernement chérifien, ainsi que l'affirmait la note de M. Delcassé du 24 juillet 1915, est, pourvu que le principe de l'égalité économique soit respecté, maître de

ses tarifs douaniers. Une telle maîtrise résulte des termes généraux des traités du 4 novembre 1911 et du 30 mars 1912 auxquels a adhéré, réserves faites en ce qui concerne le régime prévu pour Tanger, le Gouvernement de Sa Majesté britannique.

Le Gouvernement chérifien ne se propose pas, au surplus, au moins pour l'instant, de faire usage de cette maîtrise douanière.

Il ne s'agit pas, en effet, d'un droit de douane, mais d'une taxe intérieure de consommation applicable à des produits coloniaux de toute origine. Les sommes escomptées de cette taxe sont *nécessaires* à l'équilibre du budget marocain et à l'achèvement de travaux publics dont le commerce britannique est appelé bénéficier.

Mais le Gouvernement français reconnait volontiers que, tant que le Gouvernement britannique n'aura pas renoncé à ses privilèges capitulaires et que ses tribunaux consulaires continueront à fonctionner au Maroc, les infractions commises à toutes les dispositions législatives nouvelles non reconnues par l'autorité anglaise ne pourront pas être réprimées.

Aussi, le Gouvernement français se plaît à espérer que le Gouvernement allié voudra bien, comme il l'a fait en 1915 en ce qui concerne la taxe de consommation sur les sucres, provoquer les mesures nécessaires pour faire prendre par l'autorité consulaire britannique les règlements qui donneront aux infractions au dahir du 25 août 1919, dont le texte est ci-joint, une sanction qui ne peut venir, à l'égard des ressortissants anglais, que des juridictions consulaires de la Grande-Bretagne.

En attendant la promulgation de l'Ordre en Conseil sollicité, le Ministère des Affaires étrangères prescrit à la Résidence générale de la République à Rabat de ne pas faire appliquer aux sujets et ressortissants britanniques au Maroc les dispositions du dahir du 25 août dernier. A cet effet, les autorités chérifiennes autoriseront, sur demandes présentées par les consuls britanniques, la remise des produits visés au dahir sans le paiement de la taxe nouvelle. Il ne pourrait être question que des produits nécessaires à la consommation personnelle des sujets et ressortissants de l'Empire et à celle des personnes vivant sous leur toit. Toute mesure étendant le bénéfice d'une semblable disposition aux produits destinés à la clientèle commerciale des intéressés romprait en leur faveur la règle de l'égalité économique, qui est le fondement du droit contractuel au Maroc et dont le Gouvernement britannique n'a cessé de réclamer la stricte application.

ANNEX 10.

His Majesty's Embassy, Paris, to French Ministry for Foreign Affairs.

February 20, 1920.

With reference to the note from the Ministry for Foreign Affairs dated the 21st November, 1919, regarding the imposition of consumption duties in Morocco, His Majesty's Embassy has the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to inform the Ministry for Foreign Affairs that, in the opinion of His Majesty's Government, the terms of that note seem to be based not on any new arguments, but only upon a repetition of the thesis which was put forward in M. Delcassé's note of the 24th July, 1915, namely, that the adherence of Great Britain to the Franco-Moorish Treaty of 1912 confers upon the French Government, as of right, absolute discretion to impose upon British subjects in Morocco any taxes which they may consider advisable, regardless of the exemptions secured for British subjects by the earlier treaties, *e.g.*, those of 1856 and the Act of Algeciras, which ostensibly remain unabrogated and in full force.

His Majesty's Embassy is instructed, in these circumstances, to set forth once more those arguments which have convinced His Majesty's Government that the French Government are not justified in maintaining the position which they have adopted.

The French Government state that their claim to impose taxation is based upon article 1 of the Franco-Moorish Treaty of 1912, which contemplates the introduction of "economic reforms." Having once adhered to the treaty containing this clause, Great Britain, it is argued, is bound to accept all such reforms. But this same clause contemplates the introduction of reforms of various other kinds, judicial, administrative, financial and educational. The

logical conclusion to be drawn from this would seem to be that Great Britain is bound likewise to accept, amongst other things, all judicial reforms, and His Majesty's Government are led to enquire whether the French Government feel entitled to abolish at their discretion the British consular courts. It would not appear that they did feel so entitled, when they entered last year upon special negotiations with the British Government with this end in view, and, in these circumstances, His Majesty's Government are quite unable to understand which of the privileges secured by treaty for British subjects the French Government consider to have survived the Franco-Moorish Treaty of 1912, and which of these privileges have, in their opinion, ceased to exist. His Majesty's Government are bound to observe that, pending any specific explanation of this subject, they must continue to maintain that all such privileges exist unimpaired.

It was brought to the notice of the Ministry for Foreign Affairs in His Majesty's Embassy's note of the 8th November, 1919, that at the time when Great Britain adhered to the Franco-Moorish Treaty of 1912, the French Government did not envisage, any more than the British Government, the possibility of claiming the administrative freedom which the former now wish to exercise; and M. Delcassé's note of the 8th January, 1915, in which it was admitted that the French authorities had no right to deprive British subjects in Morocco of their privileges, except with the previous consent of His Majesty's Government, goes to prove this contention.

His Majesty's Government consider it only natural that neither Government should have conceived the possibility of making the claim which is now advanced by the French Government, for there is no precedent within the knowledge of His Majesty's Government for a protecting Power claiming that the mere avowal of an intention to introduce reforms in a protected country *ipso facto* absolves that country from the obligations towards other Powers previously incurred by it; and the theory on which the French Government wish to go in Morocco would not appear to be one on which they act in their relations towards the British Protectorate in Zanzibar, where they claim for their nationals all such rights accruing to them under earlier treaties as have not been specifically abrogated. His Majesty's Government observe that no attempt is made in the note from the Ministry for Foreign Affairs of the 21st November last to refute these arguments.

It is hoped by His Majesty's Government that this explanation will suffice to show why they are unable, on the grounds advanced by the French Government, to agree to the imposition of these duties upon British subjects. His Majesty's Government consider that the duties themselves are a matter of relatively slight importance, and they have no wish to embarrass the authorities of the Protectorate in raising the funds necessary for the proper administration of the zone. The French Government, however, does not merely request, but claims as a right, that such duties should be made applicable to British subjects regardless of the treaties of 1856 and the Act of Algeciras, and His Majesty's Government are obliged, in the face of this claim, to insist once more on the obvious fact that the treaties of 1856 and the Act of Algeciras, and all other instruments signed by Great Britain (?) prior to the Franco-Moorish Treaty of 1912, unless and until they have been specifically modified or abrogated, remain in force.

In the last paragraph of its note, the Ministry for Foreign Affairs states that it is willing to defer for the present applying the new duties to goods consumed in the households of British subjects, but that there can be no question of exempting the goods imported by British subjects for their commercial clientèle. His Majesty's Government must observe, however, that there is nothing in the treaties referred to in the preceding paragraph which go to justify such a distinction, and that article 7 of the Commercial Convention of 1856 and article 66 of the Act of Algeciras expressly preclude the imposition of duties in excess of 12½ per cent. *ad valorem* on any goods imported by British subjects whether for their own consumption or for that of their clientèle.

In bringing the above to the attention of the Ministry for Foreign Affairs, Lord Derby is instructed once more earnestly to protest against the action of the Protectorate authorities in neglecting to request and to obtain the consent of His Majesty's Government before imposing these dues, and to repeat that in the view of His Majesty's Government the goods imported by British subjects are exempt from the incidence of the duties.

ANNEX 11.

Lord Derby (Paris) to Lord Curzon.

(No. 474.)

My Lord, *Paris, February* 18, 1920.

In accordance with the instructions contained in your Lordship's despatch No. 313 of the 28th ultimo, I drew the attention of the Ministry for Foreign Affairs to the failure of the French authorities to follow the proper procedure in the case of certain new customs regulations which had been introduced by the Protectorate authorities in the French Zone of Morocco.

I have the honour to transmit to your Lordship herewith copy of the reply which I have received from the Ministry for Foreign Affairs on the subject. The Ministry admits that the penalties under such regulations cannot be enforced against British subjects except with the consent of the British authorities, and adds that the attention of the French Resident-General at Rabat has been drawn to the necessity of communicating in cases of this nature with His Majesty's diplomatic agent at Tangier, with a view to the application to British subjects of legislative measures introduced by the Shereefian Government.

I have, &c.
DERBY.

Enclosure in Annex 11.

Note from French Ministry for Foreign Affairs.

Par sa note du 4 février, l'Ambassade de Sa Majesté britannique a signalé au Ministère des Affaires étrangères que des règlements douaniers avaient été promulgués dans la Zone française de l'Empire chérifien qui, aux termes des traités, ne pouvaient être appliqués aux ressortissants britanniques sans l'assentiment préalable des autorités royales. L'Ambassade de Sa Majesté reconnaît d'ailleurs la justice et l'utilité des nouvelles règles édictées.

En prenant acte du jugement porté sur la nouvelle réglementation, le Ministère des Affaires étrangères a l'honneur de faire savoir à l'Ambassade d'Angleterre qu'il ne disconvient pas que, tant que le Gouvernement britannique n'aura pas renoncé au Maroc au bénéfice des privilèges qu'il tient des Capitulations, les infractions aux nouvelles dispositions édictées par le Gouvernement chérifien ne pourront être sanctionnées à l'égard des ressortissants britanniques qu'après que ces nouvelles dispositions auront été rendues obligatoires par les autorités anglaises. Le Ministère des Affaires étrangères appelle l'attention du Résident général de la République à Rabat sur la nécessité de se mettre dans des cas analogues en rapports avec l'agent diplomatique de Sa Majesté à Tanger pour lui demander de rendre applicables aux ressortissants britanniques les mesures législatives promulguées par le Gouvernement chérifien.

PALÉOLOGUE.

Paris, le 16 *février* 1920.

[A 700/700/28]

ANNEX 12.

Earl Curzon to the Earl of Derby (Paris).

(No. 670.)

My Lord, *Foreign Office, February* 25, 1920.

With reference to your Lordship's despatch No. 474 of the 18th February, relative to the new customs regulations in the French Zone of Morocco, I have to inform you that I have now instructed His Majesty's agent at Tangier, as soon as he is requested to do so by the Resident-General, to issue a King's Regulation making the new arrangements applicable to British ships.

I am, &c.
(For the Secretary of State),
R. SPERLING.

ANNEX 13.

French Ministry for Foreign Affairs to His Majesty's Embassy, Paris.

March 6, 1920.

Le Ministère des Affaires étrangères a l'honneur d'accuser réception à l'Ambassade de Sa Majesté britannique de ses notes des 20 et 26 février et du 2 de ce mois.

Le Gouvernement de la République apprend avec la plus vive satisfaction que l'agent diplomatique de Sa Majesté à Tanger a reçu pour instructions de rendre applicables dans la Zone française du Maroc par un Ordre royal aux ressortissants britanniques les nouvelles taxes créées pour équilibrer le budget chérifien, dès que le Résident général de France au Maroc en aura fait la demande au représentant de l'Angleterre.

Des instructions analogues ayant déjà été adressées aux agents de la République en Égypte, la controverse juridique sur l'interprétation des traités à ce point de vue, se trouve n'avoir plus d'intérêt pratique.

Les traités du 4 novembre 1911 et du 30 mars 1912 confèrent bien à la France le droit absolu d'introduire au Maroc toutes les réformes nécessaires au bon gouvernement de l'Empire chérifien, et le Gouvernement français reconnaît à la Grande-Bretagne le même droit en Égypte. Mais, tant que les Capitulations restent en vigueur dans ces deux pays, il est nécessaire de recourir à l'intervention de l'autorité consulaire pour rendre applicables aux Anglais au Maroc, et aux Français en Égypte les nouvelles taxes établies. Cette nécessité n'a cessé d'être reconnue par le Ministère des Affaires étrangères, comme il est exposé dans les différentes notes adressées à ce sujet à l'Ambassade de Sa Majesté britannique.

ANNEX 14.

[A 1217/638/28]

Earl Curzon to the Earl of Derby (Paris).

(No. 895.)

My Lord, *Foreign Office, March* 15, 1920.

I have not received copies of the notes addressed by your Excellency to the French Government on the 20th and 26th ultimo and 2nd instant, to which reference is made in your despatch No. 716 respecting the payment of duties by British subjects in Morocco. I am therefore unaware whether the French Government have any good reason for assuming from the text of those notes that His Majesty's Government propose to make all the new taxes instituted by the Administration in Morocco, applicable to British subjects.

Such a view is not in accordance with the instructions contained in my despatches Nos. 591 and 627 to which your Excellency refers, while my despatch No. 670 deals only with the new Customs Regulations (not the "droits de consommation"), to which His Majesty's Government have no objection.

I request that your Excellency will at once inform the French Government of the misunderstanding which appears to have arisen and make it clear that His Majesty's Government maintain the point of view stated in my despatch No. 591.

I am, &c.
(For the Secretary of State),
R. SPERLING.

ANNEX 15.

French Ministry for Foreign Affairs to His Majesty's Embassy, Paris.

March 23, 1920.

Par sa note du 17 de ce mois l'Ambassade d'Angleterre à Paris a fait savoir au Ministère des Affaires étrangères que c'est par une interprétation inexacte de la note du 2 mars qu'il avait été compris que l'agent de Sa Majesté à Tanger était invité à rendre applicables à ses ressortissants au Maroc les nouvelles taxes créées

pour équilibrer le budget chérifien. Sir H. White avait seulement reçu l'ordre d'appliquer aux navires portant pavillon britannique les règlements douaniers promulgués par le Protectorat.

Le Ministère des Affaires étrangères, en accusant réception de cette communication qu'il porte à la connaissance du Résident général de France à Rabat, a l'honneur de faire savoir à l'Ambassade de Sa Majesté qu'il fait un nouvel et confiant appel à l'amitié du Gouvernement britannique pour que son agent à Tanger soit invité à appliquer à ses ressortissants les mesures édictées par le Protectorat sous le régime de l'égalité économique pour permettre au Maroc un développement dont bénéficient au même titre les ressortissants de toutes les Puissances. Le Gouvernement de la République ne doute pas que le Gouvernement de Sa Majesté ne s'emploie à rendre possible à la Puissance protectrice du Maroc l'exercice de ses droits dans ce pays comme le Gouvernement de la République fait en Égypte en ce qui concerne les mesures édictées par le Haut-Commissariat britannique ou par l'autorité militaire britannique.

ANNEX 16.

[A 5259/638/28]

Earl Curzon to the Earl of Derby (Paris).

(No. 2809.)

My Lord, *Foreign Office, August* 19, 1920.

I have to refer to your Excellency's despatch No. 828 of the 17th March, one enclosure to which deals with the payment by British subjects in Morocco of the consumption taxes imposed by the French authorities. The consideration of this question by His Majesty's Government was deferred for some time owing to the prospect that a convention regarding Egypt and Morocco would be shortly concluded with the French Government; but as no such arrangement has yet been arrived at, I think it desirable that I should not further delay explaining the attitude of His Majesty's Government towards the consumption taxes imposed in the French Zone of Morocco.

It appears to His Majesty's Government equitable that the taxation imposed in Egypt and Morocco should, so far as possible, be applied to French and British nationals, *pari passu*, and His Majesty's Government are prepared to impose new duties on British subjects in Morocco as and when similar new duties are imposed on French citizens in Egypt. Thus, in the present case, the French Government have consented to accept an increased duty on alcohol imported into Egypt, and His Majesty's Government are therefore disposed to apply to British subjects in Morocco the corresponding increase in the duty on alcohol imported into Morocco, as from the date on which the increased duty in Egypt comes into force.

It should, however, be observed that, although the French Government have consented to the Egyptian tax on alcohol, the tax cannot yet be imposed, as the consent of the Italian Government to the new duties is still being withheld.

His Majesty's Government therefore feel justified in deferring the issue of a King's Regulation in Morocco making the corresponding duty applicable to British subjects until the revised duty in Egypt actually becomes operative.

In informing the French Government of the course which His Majesty's Government propose to adopt in this matter, your Excellency should also point out that His Majesty's Government have, in matters relating to increases of the duties payable in Egypt, always followed the correct course of obtaining the consent of the interested Governments before the duties have been promulgated. In the case of the consumption duties in Morocco, on the other hand, the French Government have followed the contrary course of first authorising the promulgation of the new duties, and then claiming the assent of His Majesty's Government on the ground that it is essential to increase the revenue.

I am, &c.

CURZON OF KEDLESTON.

ANNEX 17.

The Earl of Derby (Paris) to Earl Curzon.

(No. 2868.)

My Lord, *Paris, September* 8, 1920.

On receipt of your Lordship's despatch No. 2809 of the 19th August on the subject of the consumption taxes imposed by the French Government on British subjects in Morocco, I addressed a note to the Ministry for Foreign Affairs setting forth the arguments of His Majesty's Government contained therein.

I have now received a reply from the Ministry for Foreign Affairs, a copy of which I have the honour to transmit herewith, in which the French Government state that they are unable to accept the view taken by His Majesty's Government in this matter.

I have, &c.

DERBY.

Enclosure in Annex 17.

French Ministry for Foreign Affairs to His Majesty's Embassy, Paris.

September 5, 1920.

Par sa note du 24 août dernier, l'Ambassade de Sa Majesté britannique à Paris a fait observer au Ministère des Affaires étrangères qu'il n'y avait pas, au point de vue de l'égalité des taxes de consommation, égalité entre les ressortissants français en Égypte et les ressortissants britanniques au Maroc. Ceux-ci, d'après le Gouvernement français, doivent se soumettre aux taxes établies par le Gouvernement chérifien. En Égypte, au contraire, par suite de refus de certaines Puissances d'acquiescer à ce régime, les taxes édictées par le Gouvernement égyptien ne sont pas applicables aux Français. Le Gouvernement britannique estime dès lors qu'il convient d'attendre pour la taxation des Anglais au Maroc que la taxation des Français soit possible en Égypte.

En accusant réception de cette communication, le Ministère des Affaires étrangères a l'honneur de faire savoir qu'à son avis la situation des ressortissants britanniques au Maroc ne peut dépendre de l'attitude prise par des Gouvernements tiers en Égypte. Le Gouvernement de Sa Majesté britannique a pris au Maroc vis-à-vis du Gouvernement français un engagement analogue à celui que le Gouvernement de la République a pris au regard du Gouvernement de la Grande-Bretagne en Égypte. Cet engagement est tenu dès l'instant que le Gouvernement français l'exécute en enjoignant à ses nationaux d'acquitter les taxes qui leur sont demandées. Le Gouvernement de la République attend avec confiance de l'amitié du Gouvernement britannique que des mesures analogues soient prises par lui au Maroc. Agir autrement serait entraver de la manière la plus regrettable l'œuvre de progrès entreprise au Maroc par la Puissance protectrice et dont il serait injuste que les ressortissants britanniques retirent les avantages sans prendre une part égale dans leur contre-partie fiscale.

ANNEX 18.

French Resident-General to His Majesty's Agent and Consul-General (Tangier).

M. l'Agent diplomatique, *Rabat, le* 30 *juin* 1921.

J'ai l'honneur de vous faire connaître que d'impérieuses nécessités d'ordre budgétaire, qui ont leur origine dans la diminution importante du rendement des produits et impôts *ad valorem*, tels que la douane, le tertib, &c., m'ont amené, d'accord avec le Département des Affaires étrangères, à procéder, d'une part, à des compressions des dépenses, d'autre part, au relèvement de certaines taxes spécifiques destinées à assurer l'équilibre du budget de 1921. En conséquence, j'ai fait préparer deux dahirs, dont l'un porte relèvement de 50 pour cent de la

taxe de consommation sur les sucres, et l'autre création d'une taxe de consommation de 40 francs par quintal sur les bougies.

Vous trouverez ci-joint un exemplaire de chacun de ces textes, qui seront soumis au sceau de Sa Majesté le Sultan et communiqués au Conseil de Gouvernement du 11 juillet.

Je vous serai très obligé de vouloir bien tenir cette communication comme strictement confidentielle jusqu'à la publication des textes au *Bulletin officiel* du Protectorat, dont vous serez prévenu par télégramme, et de prendre les dispositions nécessaires pour rendre applicables aux ressortissants britanniques de la Zone française de l'Empire chérifien ces nouvelles taxes que j'ai tenu, à cette fin, à porter à votre connaissance avant leur mise en vigueur.

Veuillez agréer, &c.

LYAUTEY.

ANNEX 19.

Mr. Robertson to Lord Curzon.

(No. 3.) (Extract.)

My Lord, *Tangier, January* 5, 1923.

. . . . I have the honour to inform your Lordship that M. Gracy, who is temporarily in charge of the French Agency here during the absence of M. de Carbonnel in the French Zone, called on me this morning and informed me that, in order to balance their budget, the Protectorate authorities have decided that it will very shortly be necessary to increase the consumption duties on sugar, tea, coffee and pepper. M. Gracy, who pointed out that this information should be treated as confidential on account of the possibility of speculation by merchants dealing in these goods, explained that he had communicated it to me so that I might enquire whether His Majesty's Government would assent to the proposed increases of duty and would be prepared to issue a King's Regulation making them applicable to British subjects.

ANNEX 20.

His Majesty's Consul-General, Rabat, to His Majesty's Consul-General, Tangier.

(Extract.)

Sir, *December* 10, 1924.

. . . . I have the honour to transmit herewith copies of a note from the French Resident-General, dated the 5th December, with three enclosures relative to increases in the consumption duties payable in the French Zone on alcohol, sugar and articles containing sugar, except condensed milk.

* * * * * *

3. As certain points were not clear to me I saw the acting head of the Cabinet Diplomatique on the 9th December, with the following results.

* * * * * *

6. M. Rageot referred to the communication made to me as an act of courtesy. I observed that it might be courteous, but that, as I understood it, our assent to the increases was necessary to make them legally applicable to British goods. He admitted this, but said the increased duties would, nevertheless, be collected on all goods at once, though an exception might be theoretically possible in the case of goods imported by a British subject for his personal use.

7. I objected that in that case the French were simply forcing our hands. M. Rageot did not demur, but assured me that what they were doing was perfectly justifiable, having regard to what passed when the question was threshed out some years ago . . . .

ANNEX 21.

His Majesty's Consul-General, Rabat, to French Resident-General.

M. le Commissaire Résident général, *Rabat, le 7 janvier* 1925.

Par une note du 5 décembre votre Excellence a bien voulu me communiquer certains textes relatifs à la majoration des droits de consommation sur le sucre, l'alcool et les produits les contenant, en me priant de faire le nécessaire dans le but de rendre légale l'application des nouvelles surtaxes aux ressortissants britanniques. Je n'ai pas manqué de transmettre cette demande au Gouvernement britannique et de lui faire part des explications orales que M. Rageot, faisant alors fonctions de Chef de votre Cabinet diplomatique, eut l'obligeance de me fournir sur ma demande dans notre entretien du 9 décembre.

Le Gouvernement de Sa Majesté, tout en manifestant sa volonté d'étudier la demande précitée dans un esprit bienveillant, m'a chargé de faire remarquer à votre Excellence qu'il s'est toujours montré disposé à prêter son concours aux autorités du Protectorat en ne pas tardant à rendre applicables à ses ressortissants toute taxe raisonnable décrétée par le Gouvernement chérifien, mais qu'il n'a jamais reconnu et ne saurait reconnaître à ces autorités le droit d'anticiper son consentement à la perception de nouvelles taxes, auxquelles les ressortissants britanniques ne peuvent être astreints qu'en vertu d'une " King's Regulation " en due forme.

Je me réserve de porter à la connaissance de votre Excellence dans une communication ultérieure la décision qui sera prise éventuellement par le Gouvernement britannique relativement aux surtaxes particulières dont il s'agit dans la note sus-citée.

Je profite, &c.

ANDREW RYAN.

ANNEX 22.

His Majesty's Consulate-General, Rabat, to French Residency-General.

M. le Délégué, *Rabat, le 12 septembre* 1930.

Par lettre du 24 juin dernier j'ai eu l'honneur de faire connaître à M. le Commissaire Résident général que je ne manquerais pas de soumettre au Gouvernement britannique la demande dont il avait bien voulu me saisir visant l'application aux ressortissants britanniques en Zone française des dispositions d'un dahir du 20 juin portant création de certaines taxes intérieures de consommation et relèvement de certaines taxes existantes.

Le Gouvernement de Sa Majesté britannique, dont je viens de recevoir les instructions à ce sujet, tout en étant disposé à rendre les dispositions de ce dahir applicables aux ressortissants britanniques, se sent dans l'impossibilité de le faire avant qu'il soit assuré que les dispositions dont il s'agit ne portent pas atteinte aux intérêts britanniques.

Sous ce rapport l'attention de mon Gouvernement a été retenue par les taxes sur les huiles de soya et les viandes frigorifiées.

En ce qui concerne les huiles de soya il n'est pas douteux que la nouvelle taxe met ce produit en état d'infériorité vis-à-vis les huiles d'arachides. Comme ces deux sortes d'huiles se vendaient avant la promulgation du dahir au même prix à peu de chose près, il s'ensuit que les huiles de soya, auxquelles le commerce britannique s'intéresse beaucoup, ne peuvent plus concurrencer les huiles d'arachides, qui sont notamment de provenance française. Aussi paraît-il que l'imposition des huiles de soya ne donne pas lieu uniquement à cette discrimination en faveur d'un autre produit, mais elle constitue également une mesure de protection pour l'industrie locale des huiles d'arachides.

Quant aux viandes frigorifiées, le caractère protectionniste est clairement souligné dans les déclarations faites au Conseil du Gouvernement par M. le Directeur général des Finances. Selon le compte rendu publié par la presse locale,

M. Branly a donné les précisions suivantes sur le but visé par cette taxe : " La Chambre d'Agriculture de Rabat et du Gharb a réclamé avec insistance une taxation des viandes frigorifiées. La taxe sera fixée à 1 franc le kilo, chiffre modéré au regard des consommateurs, mais qui constituerait néanmoins une protection intéressante pour les éleveurs marocains." Ultérieurement la taxe fut portée à 2 francs le kilo afin de rendre encore plus efficace, dit-on, la protection accordée à l'élevage local. Il est également à noter que l'exclusion des animaux vivants de la portée du dahir semble établir une différence de traitement entre les viandes destinées à la consommation qui sont importées de France et celles en provenance d'autres pays.

Les taxes précitées paraissant donc au Gouvernement de Sa Majesté britannique comme des mesures de protection et de discrimination, je suis chargé de vous prier de bien vouloir lui donner votre assurance que les clauses imposant ces taxes seront modifiées. Le Gouvernement britannique tient en outre, et il serait également heureux de recevoir votre assurance à ce sujet, à ce que cette modification produise ses effets à compter de la date de l'entrée en vigueur du dahir en question et que toutes les taxes non prévues au dahir modificatif soient remboursées aux ressortissants britanniques qui les ont acquittées.

Veuillez agréer, &c.
T. C. RAPP.

ANNEX 23.

His Majesty's Consul-General, Rabat, to French Resident-General.

M. le Commissaire Résident général, *Rabat, le* 10 *juin* 1929.

Mon attention a été attirée sur la publication par la presse locale du 6 courant du texte d'un dahir qui a été pris par Sa Majesté le Sultan, en date du 4 juin 1929, interdisant d'une façon générale l'importation dans la Zone française de l'Empire chérifien des blés, des farines et des semoules. Bien que ce texte n'ait pas encore paru sur le *Bulletin officiel* du Protectorat, j'ai toute raison de croire à son authenticité. Il soulève une question tellement importante qu'il me semble nécessaire d'en saisir votre Excellence sans retard.

A part la perturbation qu'il apporte à la marche d'affaires commerciales intéressant à plusieurs points de vue mes ressortissants, le dahir en question me paraît être en contradiction formelle avec les dispositions des articles 2 et 6 de la convention commerciale passée entre le Maroc et la Grande-Bretagne le 9 décembre 1856, pour ne citer qu'un seul texte particulier, ainsi qu'avec le principe de la liberté commerciale reconnu comme base des rapports économiques entre le Maroc et les autres pays.

Dans ces conditions, tout en soumettant la question à l'appréciation du Gouvernement de Sa Majesté britannique, je crois devoir faire dès à présent les réserves les plus expresses concernant l'application du dahir soit aux marchandises de provenance britannique soit aux marchandises d'autre origine dont s'intéressent des ressortissants britanniques. Je réserve aussi le droit de mon Gouvernement de demander que tout ressortissant lésé de n'importe quelle façon par l'application du dahir soit indemnisé par les autorités compétentes.

J'ai l'honneur d'ajouter que je me tiens à la disposition de la Résidence générale pour communiquer au Foreign Office toute expression des vœux du Gouvernement chérifien sur les questions de principe soulevées par le dahir, au cas où votre Excellence estimerait utile de m'en faire part sans attendre la communication ultérieure que j'aurai probablement à vous adresser dès que j'aurai reçu les instructions que j'attends de Londres.

Veuillez agréer, &c.
ANDREW RYAN

[W 6421/5683/28]

ANNEX 24.

Mr. A. Henderson to Sir W. Tyrrell (Paris).

(No. 1577.)

Sir, *Foreign Office, July* 11, 1929.

I transmit herewith a copy of correspondence with the Board of Trade and His Majesty's consul-general at Rabat in regard to the recent prohibition of the importation of certain cereals into the French Zone of Morocco.

2. I shall be glad if your Excellency will address a protest to the French Government against the prohibition on the ground that it constitutes a violation of articles 2 and 6 of the Anglo-Moroccan Commercial Convention of 1856.

I am, &c.
(For the Secretary of State).
I. KIRKPATRICK.

ANNEX 25.

French Ministry for Foreign Affairs to His Majesty's Embassy, Paris.

Paris, le 5 *août* 1929.

Par sa note du 17 de ce mois, l'Ambassade de Grande-Bretagne à Paris a fait savoir au Ministère des Affaires étrangères que l'attention du Gouvernement de Sa Majesté a été attirée sur un dahir du 4 juin 1929 qui prohibe l'entrée des blés, farines et semoules dans la Zone française de l'Empire chérifien. Motif pris de ce que cette interdiction constituerait une violation des articles 2 et 6 du traité de commerce anglo-marocain du 9 décembre 1856, elle a été chargée d'en demander le retrait.

Le Ministère a l'honneur de faire connaître à l'Ambassade qu'il ne croit pas que la protestation dont elle a bien voulu le saisir soit fondée.

Il est exact que, par l'article 6 du traité de commerce du 9 décembre 1856, le Maroc s'est interdit : (1) de prohiber les marchandises ou produits, à l'exception de ceux énumérés à l'article 2 dudit traité, importés par les sujets anglais; (2) d'établir une discrimination au détriment de ressortissants britanniques.

Le Gouvernement chérifien n'a pas manqué au second de ces engagements par le dahir du 4 juin 1929 qui respecte entièrement l'égalité économique puisqu'il atteint les marchandises de toutes provenances y compris, et pour la plus grande partie, les marchandises de provenance française.

Quant à l'engagement de ne pas établir de prohibitions à l'importation, il doit, comme toutes les clauses de ce genre, s'entendre sous la réserve implicite, consacrée par la doctrine et la pratique, que les dérogations à la règle de non-interdiction d'entrée sont légitimes lorsqu'il s'agit, dans des circonstances anormales, de sauvegarder les intérêts vitaux du pays.

En droit, la convention internationale de Genève du 8 novembre 1927, conclue en vue d'abolir d'une manière absolue les prohibitions à l'importation, dispose, dans son article 5 : " que des mesures de prohibition peuvent être établies lorsqu'il s'agit de sauvegarder dans les circonstances extraordinaires et anormales les intérêts vitaux du pays."

Si une telle restriction est admise d'une manière générale par la Convention de Genève de 1927, *a fortiori* doit-elle être acceptée à l'égard d'un pays dont la production ne bénéficie d'aucune protection, hormis un droit de douane fixé *ne varietur* à 10 pour cent, auquel s'ajoutent 2½ pour cent *ad valorem* perçus au titre de la taxe spéciale.

Or, la mesure édictée par le dahir chérifien du 4 juin dernier répond indiscutablement à une préoccupation justifiée de sauvegarder les intérêts essentiels du pays.

Il est certain, en effet, que l'afflux de blés, farines et semoules livrables à bas prix dont était menacé le marché marocain eût entraîné une crise économique particulièrement grave qui, en atteignant non seulement la production, l'industrie et le commerce européens mais encore l'élément indigène, eût risqué de compromettre l'ordre public que tout Gouvernement a le devoir de maintenir sur son territoire.

En fait, la mesure prise par le Gouvernement chérifien n'est pas sans précédents, soit à l'étranger, soit au Maroc.

La plupart des Puissances ont institué des prohibitions. En ce qui la concerne, la Grande-Bretagne a édicté le "dye-stuffs import regulation act 1920" dont l'application est générale et ce nonobstant la clause de réciprocité stipulée en faveur de l'Empire chérifien par le traité susvisé du 9 décembre 1856. Ce faisant, elle a donc estimé à bon droit, que les clauses générales relatives aux prohibitions n'étaient pas impératives et qu'elle pouvait s'en écarter à condition que les mesures prises s'appliquassent, sans discrimination, à tous les pays.

Le Maroc lui-même a, en ces dernières années, prononcé à plusieurs reprises des prohibitions d'importation (en particulier celles visant les blés, orges et leurs dérivés, dahir du 22 février 1921) sans provoquer aucune réclamation des Puissances étrangères. Il est permis de supposer que celles-ci n'auraient cependant pas manqué de protester si elles avaient estimé que ces mesures constituaient une atteinte aux traités régissant leurs relations commerciales avec l'Empire chérifien.

Pour ces raisons, le Gouvernement de la République, à son regret, ne voit pas la possibilité d'intervenir auprès du Gouvernement chérifien pour faire rapporter le dahir du 4 juin 1929.

ANNEX 26.

[W 9038/5683/28]

Mr. A. Henderson to Mr. N. M. Henderson (Paris).

Sir, *Foreign Office, September* 16, 1929.

I have received your despatch No. 1137 of the 7th ultimo enclosing a copy of the reply of the French Government to the protest which was recently addressed to them on the subject of the dahir of the 4th June last regarding the importation of cereals into the French Zone of Morocco.

2. I observe that the French Government have endeavoured, as it was expected that they would, to justify their action on the plea that the prohibition of the import of wheat was essential for the well-being and prosperity of the French Zone and that in such circumstances the provisions of the Anglo-Moroccan commercial convention of 1856 did not apply. You will have observed from Sir A. Ryan's despatches Nos. 102 and 132 that both he and the British Chamber of Commerce in Morocco seem to consider that the French Government were justified in their contention that this dahir was necessary in the best interests of the country. It would further appear from the letter addressed by the British Chamber of Commerce to Sir A. Ryan on the 24th June last, that British interests are only directly affected by the dahir to a very small extent and that from the practical point of view little if any prejudice would be caused to British firms operating in Morocco if the dahir were to be made applicable to British subjects.

3. In these circumstances it seems to me undesirable that His Majesty's Government should persist in their protest against the dahir, and I shall therefore be glad if you will inform the French Government, in reply to their note of the 5th ultimo, that, while still of the opinion that the terms of the dahir constitute a violation of the provisions of the Treaty of 1856, His Majesty's Government are anxious not to cause the French Government any embarrassment in Morocco and are therefore willing, in view of the considerations advanced by the French Government, to waive their objections to the dahir, provided that it is clearly understood that their action in this case in no way constitutes a precedent, and that the principle of commercial equality and of the "open door" in Morocco is still maintained, unimpaired.

I am, &c.
(In the absence of the Secretary of State),
A. W. A. LEEPER.

ANNEX 27.

[W 10151/6578/28]

Marquess Curzon to M. Merry del Val.

Your Excellency, *Foreign Office, December* 21, 1922.

In my note of the 28th November last, I had the honour to inform your Excellency that I was still awaiting a report from His Majesty's agent and consul-general at Tangier on the subject of the proposed application to British subjects of the dahir of the 27th February last imposing consumption duties on sugar, tea and coffee in the Spanish Zone of Morocco.

2. I have now received a report from Mr. Robertson from which it appears that the Spanish authorities at Tetuan, notwithstanding the fact that the dahir has not yet been made applicable to British subjects by King's Regulation, are attempting to levy the new consumption duties on British-protected persons. For example, the firm of I. and D. Cohen, who have for long enjoyed British protection, recently desired to withdraw a consignment of green tea from the customs, and presented a letter guaranteeing payment of the tax should it be made incumbent upon them to do so by the issue of a King's Regulation. The customs authorities refused to accept this letter of guarantee in lieu of a cash payment. Messrs. Cohen then deposited with His Majesty's vice-consul at Tetuan the amount of the tax, and the latter proposed to the Spanish authorities by way of compromise that they should order the release of Messrs. Cohen's consignment on the understanding that the sum in his hands would be paid to the competent authority upon the dahir being made applicable to British subjects by the issue of a King's Regulation having retroactive effect; and further that they should cause all other similar consignments to be released on the same terms. Although this proposal was a gratuitous concession which His Majesty's vice-consul was in no way bound to put forward, the Spanish authorities have as yet returned no reply and the goods of British-protected persons are still detained in the customs-house.

3. His Majesty's Government feel bound to protest strongly against these illegal practices. Nevertheless, they are prepared to issue a King's Regulation with effect from the date of issue as soon as they learn that the goods now illegally detained by the Spanish authorities have been released unconditionally.

4. Your Excellency will readily understand that His Majesty's Government must disclaim all responsibility for the delay in making the dahir applicable to British subjects and protected persons, which is due solely to the fact that the Spanish Government instead of approaching His Majesty's Government when the dahir was issued, waited until the 1st November to do so, and that meanwhile the Spanish authorities have been endeavouring to levy the consumption duties on British-protected persons, to whom the provisions of the dahir are admittedly not applicable.

I have, &c.
(For the Secretary of State),
G. H. VILLIERS.

ANNEX 28.

[W 2375/1928/28]

Marquess Curzon to M. Merry del Val.

Your Excellency, *Foreign Office, April* 3, 1923.

In your Excellency's note of the 7th ultimo you were good enough to inform me that deposits made by British subjects and protected persons on account of consumption duties in the Spanish zone had now been refunded. The Spanish Government requested that in these circumstances the new duties should now be made applicable to British subjects by King's Regulation.

2. In reply, I regret to have to inform you that according to reports just received from His Majesty's agent and consul-general at Tangier effect has not yet been given by the local Spanish authorities to the instructions of the Spanish Government. Not only is it the case that deposits made by British subjects and protected persons have been refunded in part only and not in full, but British

subjects and protected persons are being required by the local Spanish authorities to pay, and not merely to deposit, the amount of the duties, the authorities asserting that they have received instructions from the Spanish Government to enforce payment. Reiterated requests by His Majesty's vice-consul at Tetuan for written confirmation of this assertion have hitherto remained unanswered.

3. It is of course not open to question that these new duties cannot legally be levied from British subjects and protected persons in the Spanish Zone of Morocco until the necessary King's Regulation has been issued. On receipt of your note I was glad to think that this matter had now been disposed of, and I am correspondingly disappointed to find that I was mistaken. His Majesty's Government must reiterate their protest against practices which they feel sure the Spanish Government must deplore as much as they do. Manifestly, until the deposits which have been illegally exacted have been returned in full, it will be impossible for His Majesty's Government to issue a King's Regulation, which, as you are aware, they would have been perfectly ready to do had the Spanish Government approached them on the subject at the time when the dahir imposing the duties was first issued.

I have, &c.
(In the absence of the Secretary of State),
G. H. VILLIERS.

ANNEX 29.

M. Merry del Val to Marquess Curzon.

(Translation.) *Spanish Embassy,*
My Lord, *London, April* 16, 1923.

In reply to your note of the 3rd instant, I have the honour to inform your Lordship that immediately after receiving it I communicated its contents to my Government, and that I have this morning received the text of the instructions which, in view thereof, have been sent to the competent authorities of the Spanish Zone of the Protectorate of Morocco, in order that the amounts which have been demanded in respect of the tax on sugar, tea and coffee of British subjects and protected persons in that territory, though it was merely as a deposit, may be returned to them, and in order that the authorities may refrain from collecting this tax from British nationals and protégés until the King's Regulation approving the extension to them of the duty referred to is published.

I hope, therefore, shortly to be informed that the instructions in question have been carried into effect, and I shall hasten to acquaint your Lordship thereof with the request that the requisite King's Regulation above referred to may be promulgated as soon as possible.

I have, &c.
ALFONSO MERRY DEL VAL.

ANNEX 30.

M. Merry del Val to Marquess Curzon.

(Translation.) *Spanish Embassy,*
My Lord, *London, June* 9, 1923.

In accordance with the contents of my note under date the 16th April last, I have the honour to inform your Excellency that according to news which the Government of His Majesty the King, my august Sovereign, has received from the High Commissioner of Spain in Tetuan, the return of all money, whether paid on deposit or paid out, for the tax on sugar, coffee and tea in the Spanish Zone of the Protectorate to British subjects and British-protected subjects, which had been required of them without the Royal decree of His Britannic Majesty, extending to the above the application of the above tribute, having been published. In order to effect this, our authorities have relied on the registers in the customs-houses and the claims of the interested parties. In the same way will be returned all sums for which proof of payment can be established, in case the return has not been completely effected because of the possible absence of some claim.

On the other hand, ever since the 16th April last sugar, coffee and tea imported into the Spanish Zone of the Moroccan Protectorate have been delivered to British subjects and British-protected subjects free of all tax. Under these circumstances, and in view of the friendly attitude adopted by the British Government in this matter, I venture to beg your Excellency to transmit at your earliest possible convenience the necessary instructions for the publication of the Royal decree imposing the tax on sugar, coffee and tea in the Spanish Zone of the Moroccan Protectorate to the subjects and protected subjects of Great Britain.

I avail, &c.
ALFONSO MERRY DEL VAL.

ANNEX 31.

His Majesty's Vice-Consul, Tetuan, to Spanish Secretary-General.

(Translation.)
Sr. Secretario General, *Tetuan, May* 22, 1923.

With reference to previous correspondence on the subject of the consumption tax on sugar, tea and coffee, I have the honour to draw your attention to the fact that British subjects are being required to pay a similar impost on alcohol imported by them, although the tax in question has not yet been approved by King's Regulation, a circumstance to which my predecessor directed the attention of your department in his letter of the 22nd August, 1922.

With a view to arriving at a prompt and satisfactory solution of this question, I venture to suggest that, as in the case of the consumption tax on sugar, tea and coffee, instructions be issued to the customs authorities of the zone to refund to British subjects and protégés the sums paid by them in respect of the consumption tax on alcohol, and to refrain from levying the said tax until a King's Regulation shall have been issued making it applicable to British subjects and protégés.

On the receipt of an intimation from you that instructions in this sense have been issued and of your official request that the tax be made applicable to British "ressortissants," I shall not fail to communicate without delay with my superiors recommending that the necessary King's Regulation be issued without delay.

I take, &c.
(Signature),

His Majesty's Vice-Consul.

ANNEX 32.

His Majesty's Vice-Consul, Tetuan, to Spanish Secretary-General

(Translation.)
Sr. Secretario General, *Tetuan, June* 22, 1923.

With reference to my letter of the 22nd May relative to the consumption tax on alcohol, I have the honour to inform you that His Majesty's diplomatic representative in Tangier directs me to draw your attention to the fact that British subjects and protégés are still being required to pay this impost, and that the Customs Controller at Larache has informed the British vice-consul in that town that he has explicit instructions to collect the tax without distinction of nationality. I am therefore instructed to inform you that His Majesty's Government cannot consent to the collection of the said tax from British subjects prior to the issue of a King's Regulation, which they would, however, no doubt be prepared to issue without delay on receipt of an intimation that the measures outlined in my letter above mentioned had been adopted.

I take, &c.
(Signature),

His Majesty's Vice-Consul.

ANNEX 33.

M. Merry del Val to Marquess Curzon.

(Translation.)
Spanish Embassy,
My Lord, *London, July* 9, 1923.

The Shereefian dahir dated the 15th April, 1922, enforcing the regulation respecting the amended tax on alcohol was published in the *Official Bulletin* of the zone of the Spanish Protectorate in Morocco on the 25th July, 1922.

The Spanish Government would be grateful to the British Government if the latter would be so good as to issue a King's Regulation applying the said tax to the nationals and protégés of Great Britain in the above-mentioned zone for the purposes of the payment thereof.

I have, &c.
ALFONSO MERRY DEL VAL.

ANNEX 34.

[W 9681/1928/28]

Marquess Curzon to Spanish Chargé d'Affaires.

Sir, *Foreign Office, December* 27, 1923.

In M. Merry del Val's note of the 9th July last, and in subsequent correspondence, his Excellency urged that the consumption duty on alcohol in the Spanish Zone of Morocco should be applied by King's Regulation to British subjects. When, a few days previously, M. Merry del Val mentioned this matter to him in conversation, the Permanent Under-Secretary of State intimated that, in spite of the categorical instructions issued by the Spanish Government, there were still a number of cases in which the sums levied from British subjects had not actually been refunded.

2. Since then I have been waiting to hear from His Majesty's representative at Tangier that there were no further claims outstanding, and I have just learnt that there are none at Larache, but that the report from Tetuan is still awaited.

3. In the meantime it appears that this duty has not yet been applied to United States and Netherlands nationals, and I therefore hesitate to proceed definitely with a step which will place British subjects at a disadvantage compared with other foreign nationals in the same position. I shall be grateful if you will be so good as to acquaint me with the situation in this respect.

I have, &c.
(For the Secretary of State),
G. H. VILLIERS.

ANNEX 35.

[W 343/343/28]

Marquess Curzon to M. Merry del Val.

Your Excellency, *Foreign Office, January* 22, 1924.

With reference to my note of the 27th ultimo, I have the honour to inform your Excellency that His Majesty's vice-consul at Tetuan has now reported that the local authorities do not appear yet to have received instructions to refund to British subjects and protected persons the amounts improperly levied in respect of the consumption duty an alcohol. So far as he can ascertain, no refunds have been made to Messrs. Perez and Murto and other British claimants, whilst in one case a refund has actually been refused.

2. In a further report His Majesty's agent and consul-general states that he has been informed by his United States and Netherlands colleagues that their Governments have not yet been requested by the Spanish Government to apply the duty on alcohol to their subjects and protected persons.

3. His Majesty's Government are anxious to comply with the request of the Spanish Government for the early application of the duty on alcohol to British nationals, but in the light of the reports referred to above, you will agree that they would not be justified in doing so at this moment.

I have, &c.
(For the Secretary of State),
R. H. CAMPBELL.

ANNEX 36.

Marquess Merry del Val to Mr. Chamberlain.

(Translation.)
Sir, *Spanish Embassy, London.*

In your note of the 22nd January, 1924, your Excellency was good enough to inform me that it was not possible to publish a King's Regulation notifying to British nationals in the Spanish Zone of the Protectorate of Morocco their obligation to pay the duties on alcohol and beer until the total amount of these duties prematurely paid by British subjects and British-protected persons in the said zone had been refunded. In a communication dated the 21st instant the Spanish Government informed me that the total of the sums claimed up to the present date under this head had been paid. In view of this, I have to request your Excellency to take the necessary steps in order that there may be no further delay in despatching appropriate instructions to the British consular officers in the Spanish Zone of the Protectorate of Morocco that, upon the publication of the relative King's Regulation British subjects and British-protected persons may pay the new duties and be liable like the rest of the inhabitants of the Spanish Zone to the provisions of the regulations enforcing payment.

I have, &c.
EL MARQUÉS DE MERRY DEL VAL.

ANNEX 37.

[W 11162/1562/28]

Mr. Chamberlain to Marquess Merry del Val.

Your Excellency, *Foreign Office, December* 10, 1925.

With reference to your note, I have the honour to inform your Excellency that the British consul at Tetuan issued on the 28th November last King's Regulations making applicable to British subjects in the Spanish Zone the dahirs imposing a markets tax on alcohol and beer.

I have, &c.
(For the Secretary of State),
C. W. ORDE.

ANNEX 38.

His Majesty's Consul, Tetuan, to Spanish Delegate-General.

(Translation.)
Sir, *December* 24, 1927.

In my note of the 24th October I had the honour to inform your Excellency that my Government regretted that they were unable to apply to British subjects the dahir of the 6th August imposing a consumption duty on candles. The reason for this attitude on the part of my Government, as you are aware was that, as the duty was imposed only on imported candles, and not on such candles as might be manufactured within the zone, it partook of the nature of a customs duty rather than of a consumption duty, and thus constituted an infraction of international agreements on the subject of the customs régime in Morocco.

2. I am now, however, pleased to be able to inform your Excellency that, actuated by a desire in no way to embarrass your Administration, my Government have declared their willingness to sanction the dahir by King's Regulation

immediately without any textual modifications provided your Excellency can be good enough first to give me formal assurances on two points. The first of these is that the amounts so far illegally levied on British subjects in respect of this duty shall be refunded. The total amount involved, as stated in my note of the 30th November, is 3,355 pesetas. The second assurance for which I am to ask is that the Makhzen will undertake to extend the application of the duty in question to candles manufactured within this zone so soon as such manufacture has reached sufficient importance to lead my Government to make a formal request in this sense.

3. In communicating the foregoing to your Excellency, I have to add that, although my Government are prepared to accept the solution of the present difficulty on the lines which I have stated, they nevertheless venture to expect that, in any similar cases which may arise in future, due regard will be paid to treaty stipulations in the texts of the dahirs themselves.

4. I should be grateful if your Excellency could be good enough to give urgent attention to this matter so that, if you are prepared to accept the conditions set forth in this note, I may be able to issue the required King's Regulation before the close of the year.

I avail, &c.
G. C. ALLCHIN.

ANNEX 39.

Spanish Delegate-General to His Majesty's Consul, Tetuan.

(Translation.)
Sr. Consul, *December* 28, 1927.

In reply to your note of the 24th December, received yesterday, in which you inform me that the Government of His Britannic Majesty is prepared to accept the text of the dahir on candle duty, and thus ready to issue the King's Regulation ordering the payment of the said duty by British subjects and protégés as soon as this High Commission gives assurances (i) that refund will be made of the sums paid by British subjects and protégés from the imposition of the duty until the publication of the said King's Regulation, and (ii) that the Makhzen undertakes to extend the application of the said duty to candles which may be manufactured within the zone, this High Commission has the pleasure to inform you that, duly authorised by the Government of His Catholic Majesty, it agrees to the two conditions set out above, and states that it will similarly bear in mind the desire expressed by the British Government that, in similar cases occurring in future, treaty stipulations will be taken into account in drawing up other dahirs. I therefore hasten to communicate to you the acceptance of both the conditions mentioned, so that, in accordance with the desire expressed in your note under reply, you may publish the King's Regulation before the end of the year.

I avail, &c.
DIEGO SAAVEDRA.

ANNEX 40.

Spanish Government to His Majesty's Ambassador, Madrid.

(Translation.)
Your Excellency, *February* 11, 1930.

The High Commissioner of Spain in Morocco addressed on the 28th ultimo a note to Mr. A. E. Watkinson, consul of Great Britain, in Tetuan, requesting him to be good enough to take the necessary measures for the application to British subjects and protected persons in the Spanish Zone of the Protectorate in Morocco of the following dahirs of His Imperial Highness the Caliph :—

1. Dahir establishing a tax on carburants;
2. Dahir establishing a consumption tax on tobacco;
3. Dahir establishing a tax on colonial goods;

4. Dahir creating a consumption tax on powder, munitions and explosives;
5. Dahir establishing a consumption tax on all classes of wine imported into or made in the zone;
6. Dahir establishing a reduced tariff on denaturalised alcohols;
7. Dahir establishing a consumption tax on sugar, tea and coffee;
8. Dahir establishing in the zone of Spanish Protectorate in Morocco the "Personal Identity Card";
9. Dahir establishing a tax on fish caught in the jurisdictional waters of the zone and not entering into the same;
10. Dahir regulating the tax on the transmission of immovable property;
11. Dahir modifying the tariffs and rules of application of the patents tax; and
12. Dahir modifying the dispositions of the regulations relative to the stamp tax in the Spanish Zone of Protectorate in Morocco of the 7th August, 1924.

I have the honour to confirm this to your Excellency in support of the request referred to above, and to point out the great interest which His Catholic Majesty's Government has in the favourable reception of the said request on the part of His Britannic Majesty's Government.

I avail, &c.
E. DE PALACIOS.

ANNEX 41.

His Majesty's Ambassador, Madrid, to Spanish Minister of State.

Your Excellency, *June* 12, 1930.

With reference to your Excellency's note of the 11th February last, I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to inform your Excellency that His Majesty's Government have authorised Mr. Watkinson, His Majesty's consul at Tetuan, to issue King's Regulations making applicable to British subjects all the dahirs mentioned in your note under reference, with the exception of those instituting a tax on tobacco, as well as those which deal with a system of personal identity cards and a reduced tariff on alcohol; in regard to the last dahir, the issue of necessary King's Regulations has already been authorised. Mr. Watkinson has also been instructed to issue King's Regulations in respect of two dahirs instituting a tax on matches and establishing certain rules concerning medical practitioners, in regard to which he was recently approached by the Protectorate authorities.

I am at the same time to inform your Excellency that, in regard to the King's Regulation concerning the consumption duty on petrol, His Majesty's Government will have no alternative but to repeal the King's Regulation should it be found in practice that oil refining companies of other nationalities receive more favourable treatment in regard to the payment of this tax.

I have, &c.
GEORGE GRAHAME.

ANNEX 42.

Spanish High Commissioner to His Majesty's Consul, Tetuan.

Sr. Consul, *January* 22, 1935.

With reference to your despatch of the 18th July last regarding the publication in the *Boletín oficial* of the zone of a dahir dated the 29th June of that year relative to certain edible oils, I have the honour to inform you that I am directed by the High Commissioner to state that I disagree with your opinion that the said dahir is contrary to the international agreements in force.

The High Commission might have invoked the present economic situation, which is so widespread that there is no country in which treaties, statutes and privileges alike have not had to yield to the need for all classes of society,

including members of foreign communities, to make their share of sacrifices for the common good. This is especially the case in the Spanish Zone of Morocco, where, thanks to the costly and prolonged efforts of the protecting Power, a state of peace and prosperity has been reached, and an organisation established which benefits in a marked degree the commerce of all those countries which trade with Morocco. It is right, therefore, that those merchants should contribute—on a scale which is moderate, indeed, when compared with the burden they have to bear in other countries—to the revenues of the zone. It is, however, unnecessary to mention these facts, because it is obvious that the High Commission, in publishing the dahirs in question, is merely exercising a right which is fully recognised, without departing from treaty obligations. Neither the Convention of Commerce and Navigation of the 9th December, 1856, nor the Act of Algeciras, which establish the principle of economic equality, are violated by the dahirs in question, since the duties created or increased are created or increased for the trade of all countries without exception.

Article 15 of the 1856 treaty states as follows: "Aucune prohibition, soit quant à l'exportation, soit quant à l'importation d'un article quelconque, ne s'appliquera aux sujets de toute autre nation." (Incorrect reference and incomplete quotation. Reference is to article 5 of the 1856 Convention of Commerce and Navigation, the last sentence of which runs: "No prohibition, either as to the exportation or importation of any article, shall apply to British subjects, unless such prohibition shall apply to subjects of every other nation."—A.M.M.) This condition being respected, as it is in the present case, and as the principle of "liberté économique sans aucune inegalité" referred to in the Act of Algeciras is also respected, the protests which you have been pleased to make are without foundation.

The right of tax and even prohibit the entry into Morocco of certain articles (provided the measure be a general one) has been exercised repeatedly, as is shown, for instance, by the prohibition of the entry of absinthe, &c., Moorish slippers ("babuchas"), &c., into the French Zone, and the existence of State monopolies, as is the usual customs in international relations.

The objection that the new taxes tend to favour the Spanish olive oil industry can hardly be sustained; for Spain is not the only producing country. Without quoting others, Great Britain herself possesses in her Empire olive-producing territories, so that Spain has no monopoly of olive oil. There has therefore been no infringement, from any point of view, of the Act of Algeciras.

LUIS TEMES.

ANNEX 43.

[W 1791/29/28]

Sir John Simon to His Majesty's Representatives at Madrid (No. 112) and Tangier (No. 56).

Sir, *Foreign Office, March 2, 1935.*

With reference to my despatch No. 442 of the 19th October last regarding the imposition by the Spanish authorities of consumption duties on goods imported into the Spanish Zone of Morocco, I have to inform your Excellency that it has now been decided, in order to safeguard the position of His Majesty's Government in the United Kingdom under the relevant treaties, that formal protests shall be made to the Spanish Government in this matter. I shall accordingly be glad if you will now address a note to the Spanish Minister for Foreign Affairs on the following lines:—

2. On the 29th June last a number of dahirs were published in the Spanish Zone of Morocco creating new consumption taxes on certain goods imported into the zone and increasing the amount of existing taxes. With one exception, these taxes are stated in the dahirs to be on imported goods only. Moreover, on the 20th September last a Vizirial decree and dahir were issued imposing a consumption tax in the zone on imported what flour and its derivatives.

3. These new taxes may be held to constitute one of two things. Either they involve an increase in the customs duties of the zone and must be held

contrary to article 7 of the Convention of Commerce and Navigation between the United Kingdom and Morocco, signed in Tangier in 1856, as modified by article 66 of the Act of Algeciras, or, on the other hand, they may represent an increase in the internal duties of the zone, in which case their enforcement on British subjects is contrary to article 4 of the General Treaty between the United Kingdom and Morocco, signed at Tangier in the same year. In either case, the new duties involve direct discrimination between goods imported into the zone and similar goods produced locally.

4. In these circumstances, His Majesty's Government in the United Kingdom are obliged formally to protest against the dahirs in question. They are unable to acquiesce in measures, which infringe in this manner their treaty rights in Morocco, being applied without consent and must therefore request their repeal.

5. In handing this note to the Minister, you should make the following verbal communication, which you may embody in an aide-mémoire:—

His Excellency will be aware that His Majesty's Government have always been anxious to give every assistance to the authorities in the zone and have been willing, when specifically requested by the Spanish authorities, voluntarily to assent to taxes and regulations and to extend them to British subjects resident in the zone, by the issue of King's Regulations, provided that such taxes and regulations are not directly prejudicial to British interests or discriminatory against British trade. In the present case His Majesty's Government, without prejudice to their treaty rights, would be willing, at the specific request of the Spanish Government, to issue King's Regulations applying to British subjects in the zone all the increased duties referred to, subject only to the following reservations:—

(1) His Majesty's Government would not be prepared to extend to British subjects the duties on edible seed oils and candles unless imported olive oil and locally manufactured candles were made liable to equivalent duties.

(2) Nor could His Majesty's Government accept in their present form the consumption duties on imported wheat flour and derivatives of flour. The consumption duty on imported flour is at such a high level in comparison with the maximum selling price permitted within the zone by the vizirial decree that the import and sale of wheat is now economically impossible. Moreover, in view of the fact that domestic production of flour in the zone is not adequate to supply the requirements of the market, such a high rate of consumption duty cannot be justified on the grounds of economic necessity. While, therefore, His Majesty's Government have no desire to place any obstacle in the way of measures intended to benefit Moroccan agriculture, they are unable to acquiesce in the establishment of arbitrary rates of what are in effect import duties, which can only operate as a barrier to legitimate imports and must inevitably result in smuggling. His Majesty's Government would be prepared to issue the necessary King's Regulations in respect of these measures only if they were amended so that the rates of duty would be equitably adjusted in order to permit of the importation of British flour into the zone.

(To Tangier only.)

6. Mr. Monck-Mason should also point out, with reference to the Spanish High Commissioner's note of the 22nd January last, that the attitude of His Majesty's Government as set out in this aide-mémoire provides a complete answer to the second paragraph of the note. The present economic conditions cannot be held to justify the Spanish authorities in overriding British treaty rights, although they may justify the Spanish authorities in asking that His Majesty's Government should give favourable consideration to the request for the waiver of such rights in certain particular matters, a sympathetic attitude which is, in fact, being followed by His Majesty's Government. As regards the penultimate paragraph of the note of the 22nd January, His Majesty's consul may state that His Majesty's Government duly protested against the application of measures of prohibition in the French Zone as being contrary to British treaty rights unless

voluntarily accepted by His Majesty's Government; that, in the recent case of Moorish slippers, His Majesty's Government, in pursuance of their general benevolent policy which they are equally ready to adopt towards the Spanish Government, voluntarily accepted the measure and made it applicable to British subjects by King's Regulation; and that, as regards monopolies, the position is regulated by treaty provisions, and His Majesty's Government would not fail to take exception to any monopolies other than those sanctioned by treaties and are unaware of the exact significance of the Spanish High Commissioner's reference in this connexion.

(Madrid.)

6. Finally, you should express the sincere hope that the Spanish Government (unless they prefer to repeal the new duties) will see their way to avoiding any conflict with His Majesty's Government in this matter by requesting our formal concurrence in the dahirs, and by giving assurances on the specific points mentioned above, such as will enable His Majesty's Government to extend the force of the taxes to British subjects in the zone. If the Spanish Government should fail to give satisfaction to His Majesty's Government in either of these ways, His Majesty's Government will be obliged seriously to consider bringing the matter before the Permanent Court of International Justice.

(Madrid.)

7. His Majesty's consul at Tetuan is being instructed to make similar representations locally.

I am, &c.
JOHN SIMON.

ANNEX 44.

(1)

Sir G. Grahame (Madrid) to Sir John Simon.

(No. 150.)

Sir, *Madrid, March* 13, 1935.

I have the honour, with reference to your despatch No. 112 of the 2nd instant, to transmit to you herewith copies of a note and of an aide-mémoire which, according to your instructions, were left by the counsellor of this Embassy with the Under-Secretary of State for Foreign Affairs regarding the imposition by the Spanish authorities of consumption duties on goods imported into the Spanish Zone of Morocco.

2. In accordance with those instructions, Mr. Snow informed Sr. Aguinaga of the sincere hope of His Majesty's Government in the United Kingdom that the Spanish Government would, unless they preferred to repeal the new duties, see their way to meeting the views of His Majesty's Government by requesting their formal concurrence in the dahirs in question, and by giving assurances on the specific points mentioned in the aide-mémoire. At the same time, Mr. Snow intimated to Sr. Aguinaga that, in the contrary case, His Majesty's Government would be obliged to consider bringing the matter before the Permanent Court of International Justice.

3. At one moment during the conversation, Sr. Aguinaga went so far as to admit the possibility of meeting the views of His Majesty's Government; but, reflecting, perhaps, that the decision lay with the Presidency of the Council (which is responsible for Moroccan affairs), he later confined himself to stating that the representations which had been made would be carefully considered.

I have, &c.
GEORGE GRAHAME.

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(2)

Sir G. Grahame (Madrid) to Spanish Minister of State.

Your Excellency, *March* 8, 1935.

Under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, I have the honour to approach your Excellency in regard to the following matter:—

On the 29th June last a number of dahirs were published in the Spanish Zone of Morocco creating new consumption taxes on certain goods imported into the zone and increasing the amount of existing taxes. With one exception these taxes are stated in the dahirs to be on imported goods only. Moreover, on the 20th September last a vizirial decree and dahir were issued imposing a consumption tax in the zone on imported wheat flour and its derivatives.

These new taxes may be held to constitute one of two things. Either they involve an increase in the customs duties of the zone and must be held contrary to article 7 of the Convention of Commerce and Navigation between the United Kingdom and Morocco, signed in Tangier in 1856, as modified by article 66 of the Act of Algeciras, or, on the other hand, they may represent an increase in the internal duties of the zone, in which case their enforcement on British subjects is contrary to article 4 of the general treaty between the United Kingdom and Morocco signed at Tangier in the same year. In either case the new duties involve direct discrimination between goods imported into the zone and similar goods produced locally.

In these circumstances His Majesty's Government in the United Kingdom are obliged formally to protest against the dahirs in question. They are unable to acquiesce in measures, which infringe in this manner their treaty rights in Morocco, being applied without consent, and must therefore request their repeal.

I have, &c.
GEORGE GRAHAME.

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(3)

Aide-Mémoire for His Excellency the Minister of State.

Spanish Zone of Morocco.

His Excellency will be aware that His Majesty's Government have always been anxious to give every assistance to the authorities in the zone and have been willing, when specifically requested by the Spanish authorities, voluntarily to assent to taxes and regulations and to extend them to British subjects resident in the zone, by the issue of King's Regulations, provided that such taxes and regulations are not directly prejudicial to British interests or discriminatory against British trade. In the present case His Majesty's Government, without prejudice to their treaty rights, would be willing, at the specific request of the Spanish Government, to issue King's Regulations, provided that such taxes and regulations are not directly prejudicial to British interests or discriminatory against British trade. In the present case His Majesty's Government, without prejudice to their treaty rights, would be willing, at the specific request of the Spanish Government, to issue King's Regulations applying to British subjects in the zone all the increased duties referred to subject only to the following reservations:—

(1) His Majesty's Government would not be prepared to extend to British subjects the duties on edible seed oils and candles unless imported olive oil and locally manufactured candles were made liable to equivalent duties.

(2) Nor could His Majesty's Government accept in their present form the consumption duties on imported wheat flour. The consumption duty on imported flour is at such a high level in comparison with the maximum selling price permitted within the zone by the vizirial decree that the import and sale of wheat is now economically impossible. Moreover, in view of the fact that domestic production of flour in the zone is not adequate to supply the requirements of the market, such a high rate of consumption duty cannot be justified on the grounds of economic necessity. While, therefore, His Majesty's Government have no desire

to place any obstacle in the way of measures intended to benefit Moroccan agriculture, they are unable to acquiesce in the establishment of arbitrary rates of what are in effect import duties, which can only operate as a barrier to legitimate imports and must inevitably result in smuggling. His Majesty's Government would be prepared to issue the necessary King's Regulations in respect of these measures only if they were amended so that the rates of duty would be equitably adjusted in order to permit of the importation of British flour into the zone.

Madrid, March 8, 1935.

ANNEX 45.

His Majesty's Consul-General, Rabat, to French Residency-General.

M. le Délégué, *April* 28, 1934.

L'attention du Gouvernement de Sa Majesté britannique dans le Royaume-Uni ayant été retenue par la question des droits de porte, j'ai l'honneur, en conformité d'instructions que je viens de recevoir, de soumettre son point de vue à votre Excellence.

Les conditions dans lesquelles les droits de porte s'appliquent aux étrangers sont établies par l'article 13 de la Convention de Madrid de 1880, aussi bien que par les règlements promulgués en vertu de cette convention avec l'approbation du corps diplomatique de Tanger en 1881 et 1896. La convention et les règlements disposent d'une manière expresse que la taxe ne pourra pas être augmentée sans un nouvel accord avec les représentants des Puissances signataires, tandis que les règlements n'autorisent que l'application de la taxe aux marchandises transportées d'une ville marocaine à une autre et aux produits indigènes qui entrent dans les villes.

Telle étant la situation juridique, il est évident que l'assentiment du Gouvernement de Sa Majesté britannique est nécessaire, premièrement, au prélèvement de la taxe sous aucune forme, non pas sur des marchandises transportées d'une ville à une autre mais, à leur arrivée au Maroc, sur des marchandises importées, et, deuxièmement, à une modification quelconque du taux de cette taxe tel que l'ont fixé les règlements acceptés par le corps diplomatique de Tanger.

Fidèle à sa politique habituelle le Gouvernement de Sa Majesté britannique est disposé, s'il en reçoit la demande, à déroger, dans une certaine mesure, de ses droits là où des changements du taux de la taxe pourraient se justifier. En effet, votre Excellence voudra bien admettre que dans le passé le Gouvernement de Sa Majesté n'a soulevé aucune objection à certaines modifications de cette nature qui ont été effectuées. Cependant le Gouvernement de Sa Majesté n'a d'aucune façon abandonné ses droits et ne saurait accepter que la taxe prélevée sur des marchandises importées diffère en n'importe quel degré de celle prélevée sur les produits indigènes. Il se trouve donc obligé de soulever la plus forte objection aux tarifs récemment promulgués.

En cette circonstance, je suis chargé de suggérer à votre Excellence l'opportunité d'une discussion de toutes les dérogations subies par les règlements de 1881 et 1896, discussion dont le but serait d'arriver à un accord satisfaisant les besoins de l'administration locale sans discrimination des importations britanniques.

Veuillez agréer, &c.
Le Consul général,
W. S. EDMONDS.

ANNEX 46.

French Residency-General to His Majesty's Consul-General, Rabat.

M. le Consul général, *July* 7, 1934.

Par note du 28 avril dernier vous avez bien voulu me faire savoir que l'attention du Gouvernement de Sa Majesté britannique avait été retenue par la question des droits de porte. Votre Gouvernement estime qu'aux termes de l'article 13 de la Convention de Madrid de 1880 et des règlements de 1881 et 1896, toutes modifications en la matière auraient dû recevoir son assentiment. Il se voit donc obligé de protester contre les tarifs récemment promulgués et vous êtes chargé de suggérer au Gouvernement du Protectorat l'opportunité d'une discussion générale en vue d'arriver à un accord satisfaisant les besoins de l'administration locale sans discrimination des importations britanniques.

Tout en appréciant pleinement les sentiments amicaux exprimés dans votre note précitée, je crois devoir vous rappeler que les dispositions de l'article 13 de la Convention de Madrid sont devenues caduques. En effet, le traité franco-allemand du 4 novembre 1911 auquel le Gouvernement britannique a adhéré accorde au Gouvernement français au Maroc, par ses articles 1 et 4, une entière liberté en matière d'établissement d'impôts et autres taxes, sous la seule réserve de l'égalité économique et de la liberté commerciale.

L'article 13 du même traité abroge toutes clauses d'accord, convention, traité ou règlement contraires à ses stipulations.

Se fondant sur ces textes, et à condition d'assurer l'égalité de chances entre importateurs au Maroc, quelle que soit leur nationalité, le Gouvernement chérifien est convaincu de son droit absolu de modifier les droits de porte dans la mesure qu'il estime opportune et de sa seule initiative. En particulier, la simple équité l'autorise à frapper de droits différents le produit fini importé de l'étranger et le produit fabriqué au Maroc avec des matières premières ayant déjà acquitté, de ce chef, le droit de porte.

Je puis vous assurer que dans les modifications apportées ou à apporter aux droits de porte, le principe de l'égalité économique et de la liberté commerciale, qui reste la seule obligation contractuelle du Maroc en la matière, continuera à être respecté. Dans ces conditions, le Gouvernement du Protectorat ne peut que considérer comme étant sans objet la discussion suggérée par le Gouvernement de Sa Majesté britannique.

Veuillez agréer, &c.
H. PONSOT.

ANNEX 47.

His Majesty's Embassy, Paris, to French Ministry for Foreign Affairs.

November 9, 1934.

His Majesty's Embassy presents his compliments to the Ministry for Foreign Affairs and, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, has the honour to invite their attention to recent correspondence which has been exchanged between the Resident-General of the Government of the Republic at Rabat and His Majesty's consul-general regarding the gate tax in Morocco.

2. As the Ministry will be aware, the conditions in which the gate tax is applicable to foreigners in Morocco were laid down in article 13 of the Madrid Convention of 1880, as well as in regulations subsequently issued thereunder by the Moroccan authorities with the approval of the Diplomatic Body at Tangier in 1881 and in 1896. It is expressly laid down in the convention and in the regulations that no increase in the amount of the tax shall be made except with the consent of the representatives of the signatory Powers. In addition, provision is only made in the regulations for the levying of the tax on goods transported from one town to another in Morocco and on local produce entering the towns. In 1917 the authorities of the French Protectorate made certain

alterations in the rate of the tax and extended to it imports. His Majesty's Government in the United Kingdom entered a protest at the time, but, in order not to embarrass the Government of the Republic during the war, refrained from pressing their protest. His Majesty's Government have, however, recently received complaints of further modifications in the rate of the tax which discriminate against imported goods, and His Majesty's consul-general at Rabat was therefore instructed to make representations on this subject to the French authorities in Morocco.

3. The Resident-General at Rabat, in replying by note of the 7th July last to Mr. Edmonds's representations, ignored the argument therein put forward that the alteration of the rate of gate tax and its imposition on imported goods are contrary to article 13 of the Madrid Convention, and confined himself to stating that in virtue of the adherence of His Majesty's Government to the Franco-German Treaty of the 4th November, 1911, this article has ceased to be operative, and that the French Government enjoy in Morocco "une entière liberté en matière d'établissement d'impôts et autres taxes, sous la seule réserve de l'égalité économique et de la liberté commerciale."

4. His Majesty's Government had hoped that it might be possible to reach a practical settlement of this question in the course of the general trade discussions which are in progress regarding the commercial régime in Morocco. They were not, however, able to concur in the attitude adopted by the French negotiators in this matter in so far as the latter appeared to suggest that the removal of the discrimination against imported goods in the levy of the gate tax and similar taxes should be made dependent upon the recognition of the right of the Protectorate authorities to tariff autonomy. His Majesty's Government find it impossible to accept any such suggestion, since they cannot agree to abandon the rights of His Majesty's Government under article 7 of the Anglo-Moroccan Commercial Convention of 1856, whereby the rate of customs duty on goods imported by British subjects into Morocco are limited to 10 per cent. *ad valorem*, and the additional 2½ per cent. sanctioned by article 66 of the Act of Algeciras. It has been indicated to the French negotiators that His Majesty's Government might be prepared to admit certain agreed increases in the customs duties as part of the arrangement which is being discussed in the present negotiations, but it would have to be made clear in any agreement concluded on the subject that such increases were to be regarded as agreed derogations from the principle laid down in the convention of 1856.

5. His Majesty's Government are unable to conceal the surprise with which they learnt of the contents of M. Ponsot's communication of the 7th July. As the Ministry will doubtless recollect, the point of view of His Majesty's Government concerning their special rights under the early Moroccan treaties regardless of their participation in subsequent agreements has been made plain to the Government of the Republic on several occasions, and most recently in His Majesty's Embassy's memorandum of the 20th February, 1920. Since this date the rights of His Majesty's Government of control over taxation imposed upon British subjects in Morocco, which they consider to be incontestable, have been generally recognised in practice, and His Majesty's Government are therefore at a loss to understand why the same argument to which they had previously replied should now be advanced once again by M. Ponsot in his note of the 7th July to His Majesty's consul-general at Rabat. They are unable to comprehend how their adherence to an agreement concluded between the French and German Governments regarding French assistance to Morocco could be held to modify the obligations of the Moroccan Government under previous treaties, and in these circumstances His Majesty's Government would request the Government of the Republic to be so good as to intervene with the authorities of the Protectorate with a view to securing the repeal of the recent illegal modification of the gate tax.

November 9, 1934.

Annex 48.

French Minister for Foreign Affairs to His Majesty's Embassy, Paris.

November 22, 1934.

Le Ministère des Affaires étrangères a l'honneur d'accuser reception de la note No. 730 que lui a fait tenir l'Ambassade d'Angleterre à Paris le 9 de ce mois, au sujet de la revision des droits de porte au Maroc.

Il ne saurait se déclarer d'accord avec la thèse suivant laquelle les traités de 1904 et de 1911 seraient sans effet en matière de droits de porte au Maroc, l'établissement de ces droits restant régi par des taxes antérieures.

Il croit cependant inutile d'ouvrir une discussion juridique à ce sujet car la communication du Consul général de Grande-Bretagne à Rabat au sujet des droits de porte et la réponse de principe du Résident général appartiennent à un stade de la discussion qui se trouve dépassé par les conversations qui eurent lieu à Londres au mois de juin dernier.

La question du régime économique du Maroc ayant alors été examinée au cours de négociations commerciales entre le Gouvernement britannique et le Gouvernement français, il fut constaté, après consultation des divers départements ministériels anglais intéressés, que les deux Gouvernements, tout en réservant l'un et l'autre leur opinion en matière juridique, se trouvaient d'accord pour " approcher la question pratique dans un esprit accommodant."

Le Ministère des Affaires étrangères ne verrait que des avantages à rechercher, dans cet esprit, une solution à la question des droits de porte qui, d'ailleurs et parallèlement à la démarche du Consul général de Grande-Bretagne à Rabat, a déjà fait l'objet de conversations entre représentants qualifiés des deux Gouvernements, conformément à l'accord susmentionné.

En ce qui concerne les autres questions en cours de discussion, et dont Sir Robert Cahill a entretenu M. de La Baume par sa lettre du 12 de ce mois, le Ministère des Affaires étrangères se tient prêt à faire connaître sa réponse au cours de conversations qui pourraient avoir lieu comme l'été dernier avec le concours d'un agent du Protectorat.

Quant au projet d'évaluation des valeurs en douane au Maroc qui a été communiqué à M. Yeames le 26 septembre dernier, le Ministère des Affaires étrangères accéderait volontiers à la suggestion de Sir Robert Cahill de l'examiner indépendamment de la question des contingents et des droits de douane. Il désire néanmoins mentionner que le taux des droits de douane à instituer reste fonction de la perception exacte de ces droits. Aussi lui paraît-il indispensable que la mise en vigueur du nouveau système de perception des droits coïncide exactement avec l'établissement du nouveau tarif et des contingents.

Le Ministère des Affaires étrangères serait heureux que ces indications fussent retenues par le Gouvernement britannique en vue d'un règlement prochain de l'ensemble de la question dans un esprit amical et conformément à l'entente intervenue au mois de juin dernier.

ANNEX 49.

[W 2305/976/28]

Sir John Simon to Sir G. Grahame (Madrid).

(No. 153.)

Sir, *Foreign Office, March* 19, 1935.

I transmit to your Excellency herewith copy of despatch from His Majesty's consul-general at Tangier regarding the issue by the authorities of the Spanish Zone of Morocco of a dahir and vizirial decree, dated the 1st November, 1934, modifying the existing gate tax regulations, and I have to request you to address a communication to the Spanish Government on the following lines:—

The conditions in which the gate tax is applicable to foreigners in Morocco were laid down in article 13 of the Madrid Convention of 1880 (*State Papers*, Vol. 71, p. 643), as well as in regulations subsequently issued thereunder by the Moroccan authorities, with the approval of the Diplomatic Body at Tangier, in 1881 (*State Papers*, Vol. 72, p. 638) and in 1896 (printed in the *Annuaire du*

Maroc, 1905, p. 221). It is expressly laid down in the convention and in the regulations that no increase in the amount of the tax shall be made except with the consent of the signatory Powers. In addition, provision is only made in the regulations for the levying of the tax on goods transported from one town to another in Morocco and on local produce entering the towns. On the 1st September, 1931, the authorities of the Spanish Zone issued a dahir and vizirial decree, modified, at the instance of His Majesty's Government in the United Kingdom, by a vizirial decree of the 17th March, 1932, which imposed a gate tax both on local produce entering towns and on goods imported by sea. His Majesty's Government agreed to accept these regulations and made them applicable to British subjects in the Spanish Zone by a King's Regulation. As regards the position in the French Zone, the notes exchanged between His Majesty's Government in the United Kingdom and the French Government on the 29th January last, embodying certain measures of economic reforms, include an undertaking by the Administration of the French Zone so to modify a vizirial decree of the 31st July, 1933, as to make the gate taxes applicable to certain enumerated products the same as those applicable to similar local products. In return for this undertaking His Majesty's Government have agreed to apply the provisions of the above-mentioned vizirial decree, as thus modified, to British subjects, as well as the provisions of any other regulations concerning gate taxes which have been made up to the time of signature of the exchange of notes, in so far as they have not already been applied to British subjects.

His Majesty's Government are of the opinion that both in virtue of the special arrangements governing the gate tax, to which reference has been made above, and of the provisions of article 4 of the General Treaty of 1856 between the United Kingdom and Morocco, no taxes of this nature can be applied to British subjects unless agreed to by His Majesty's Government and made binding on British subjects by King's Regulation. While His Majesty's Government are unwilling to embarrass the Spanish authorities in their efforts to ensure the economic well-being of the zone, and while they are prepared, as heretofore, to co-operate by applying reasonable taxation to British subjects, they are unable to accept the dahir and vizirial decree of the 1st November, 1934, unless amended, in view of the fact that they infringe the principle of the equalisation of taxes as between imported and local products. This principle, as has been already pointed out, is embodied in the recent agreement between His Majesty's Government and the French Government, and His Majesty's Government earnestly trust that the necessary steps will be taken to amend the new gate taxes accordingly, in which event His Majesty's Government would be prepared to make them applicable to British subjects. If the regulations are not so amended, and if they are applied to British subjects without the consent of His Majesty's Government, the latter must reserve the right to put forward claims for the refund of taxes illegally levied.

Finally, in order to ensure in the future a greater measure of harmony in the application of measures of taxation in the Spanish Zone, His Majesty's Government desire to urge very earnestly that His Majesty's consular officers in the zone should be given prior notice of intended measures of this nature.

2. His Majesty's consul at Tetuan is addressing a similar communication to the Spanish High Commissioner.

I am, &c.
MAURICE PETERSON.

ANNEX 50.

Sir G. Grahame (Madrid) to Spanish Minister of State.

Madrid, March 30, 1935.

Your Excellency,

I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to invite your attention to the issue by the authorities of the Spanish Zone of Morocco of a dahir and vizirial decree, dated the 1st November, 1934, modifying the existing gate tax regulations.

As your Excellency will be aware, the conditions in which the gate tax is applicable to foreigners in Morocco were laid down in article 13 of the Madrid Convention of 1880 (*British State Papers*, vol. 71, p. 643), as well as in

regulations subsequently issued thereunder by the Moroccan authorities with the approval of the Diplomatic Body at Tangier in 1881 (*British State Papers*, vol. 72, p. 638) and in 1896 (printed in the *Annuaire du Maroc*, 1905, p. 221). It is expressly laid down in the convention and in the regulations that no increase in the amount of the tax shall be made except with the consent of the signatory Powers. In addition, provision is only made in the regulations for the levying of the tax on goods transported from one town to another in Morocco and on local produce entering the towns. On the 1st September, 1931, the authorities of the Spanish Zone issued a dahir and vizirial decree, modified at the instance of His Majesty's Government in the United Kingdom, by a vizirial decree of the 17th March, 1932, which imposed a gate tax both on local produce entering towns and on goods imported by sea. His Majesty's Government agreed to accept these regulations, and made them applicable to British subjects in the Spanish Zone by a King's Regulation. As regards the position in the French Zone, the notes exchanged between His Majesty's Government in the United Kingdom and the French Government on the 29th January last, embodying certain measures of economic reforms, include an undertaking by the administration of the French Zone so to modify a vizirial decree of the 31st July, 1933, as to make the gate taxes applicable to certain enumerated products the same as those applicable to similar local products. In return for this undertaking, His Majesty's Government have agreed to apply the provisions of the above-mentioned vizirial decree, as thus modified, to British subjects, as well as the provisions of any other regulations concerning gate taxes which have been made up to the time of signature of the exchange of notes, in so far as they have not already been applied to British subjects.

His Majesty's Government are of the opinion that, both in virtue of the special arrangements governing the gate tax, to which reference has been made above, and of the provisions of article 4 of the General Treaty of 1856 between the United Kingdom and Morocco, no taxes of this nature can be applied to British subjects unless agreed to by His Majesty's Government and made binding on British subjects by King's Regulation. While His Majesty's Government are unwilling to embarrass the Spanish authorities in their efforts to ensure the economic well-being of the zone, and while they are prepared, as heretofore, to co-operate by applying reasonable taxation to British subjects, they are unable to accept the dahir and vizirial decree of the 1st November, 1934, unless amended, in view of the fact that they infringe the principle of the equalisation of taxes as between imported and local product. This principle, as has been already pointed out, is embodied in the recent agreement between His Majesty's Government and the French Government, and His Majesty's Government earnestly trust that the necessary steps will be taken to amend the new gate taxes accordingly, in which event His Majesty's Government would be prepared to make them applicable to British subjects. If the regulations are not so amended, and if they are applied to British subjects without the consent of His Majesty's Government, the latter must reserve the right to put forward claims for the refund of taxes illegally levied.

Finally, in order to ensure in the future a greater measure of harmony in the application of measures of taxation in the Spanish Zone, I am to urge your Excellency to take account of His Majesty's Government's earnest desire that His Majesty's consular officers in the zone should be given prior notice of intended measures of this nature.

I have, &c.
GEORGE GRAHAME.

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